BATTERY REPORT

Upgraded Flashlight Assortment Brightens Discount Margins

Flashlights Lead Product Battery Usage

Item	1980	1985
Radios	NA	18%
Radio Cassettes	NA	5
Cassette Recorders	NA	9
Flashlights	21	19
Toys/Games	20	18
Photo	9	9
Clock	3	4
Calculator	6	3
Smoke Detector	2	3
Lanterns	1	2
All Others	10	10

NA—Not Available Source: Rayovac, NPD Consumer Purchase Diary

Flashlights rank second in consumer battery useage. K mart, Southfield, Mich., takes advantage of tie-in sales by cross merchandising goods on a spinner rack. (DSN photo)

Nationwide DSN Report

The flashlight market has undergone a major step-up in product quality and price in the last few years that augurs well for discounters looking to boost the total ticket generated by their stores.

As Kevin Garrity, vice president marketing, Garrity Industries, explained: "Everyone in the industry has upgraded their lights and packaging. Five years ago, flashlights wouldn't sell for more than $6.99, but now they go for up to $10 to $20."

Mike Plautz, director of marketing, Rayovac, added: "All the action has gone to brighter, more durable, better looking lights and the marketplace has been exploding."

A two year comparison of sales shows what's happened to the flashlight market, and especially to what's called the premium segment, items priced $10 and above that feature better packaging, halogen lights, etc.

In 1983, flashlight sales were $97 million, with the premium portion accounting for $35 million, Plautz said. Last year, the total flashlight market reached $138 million in volume, a 42.3% increase. Premium lights, meanwhile, jumped 122.9% in sales to $78 million.

While premium sales took off, low end and middle priced items declined slightly, with medium priced flashlights the weakest link as they tend to look and perform like lower priced goods, he explained.

Action Remains Good

While sales are strong for premium flashlights, Garrity noted that action remains good for low end disposables. "The trend will continue because people are willing to pay more for better flashlights and stick with pick up disposables as impulse items," he added.

The impact of all this on discounters is simple: Discounters sell about 35% of all flashlights, and recognizing the changed market are now giving this merchandise more space. "It's just a category that was ignored for a while," Plautz said.

Garrity spotted hardware and sporting goods as the two departments with most of the flashlight action, but "they should be shown more often in auto sections and auto specialty stores."

The step-up in flashlights is illustrated by the items carried in a K mart hardware section. The lead in, standard metal flashlight goes for $4.56. But the lowest priced item was a disposable penlight at $1.66.

The premium segment, however, included a floatable halogen lantern, $13.96, a three-way fluorescent flashlight, $14.96, and a five-way fluorescent light, $17.88.

"Discounters give flashlights more space than do other retailers. While the footage has remained the same, the assortment has changed to more low end and disposable, more high end premium and less basic and middle priced goods," Garrity noted.

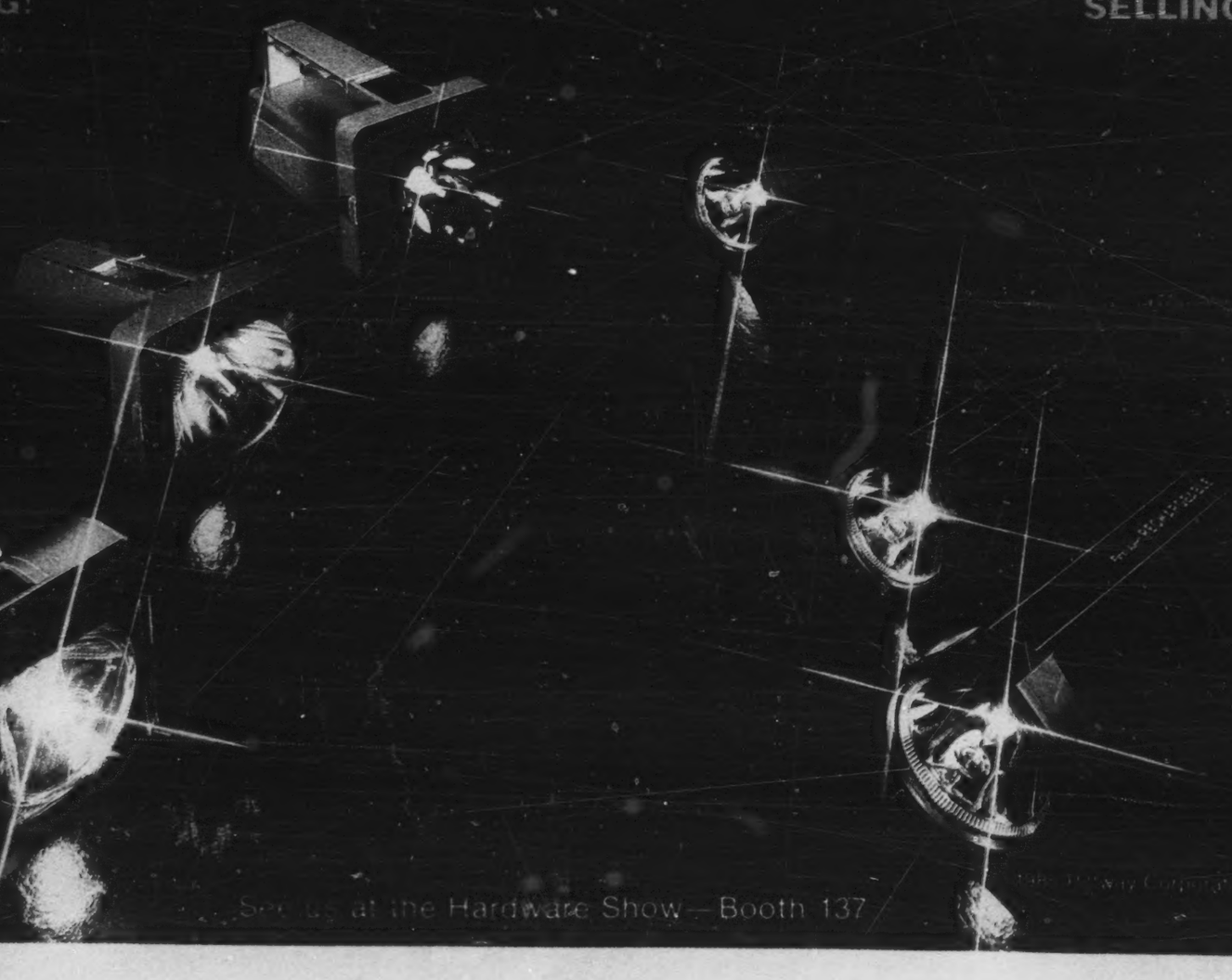
Now First Alert is the No. 1 brand in RECHARGEABLE LIGHTS!

- Hottest-selling brand in the hot new rechargeable light category — that's First Alert!
- Broadest range of products! With 3 lantern-style rechargeable lights for gift-giving seasons, plus 3 rechargeable flashlights for everyday selling, we're creating year-round sales in the category!
- New Car/Home Rechargeable Flashlight helps expand the category. Gives you more selling opportunities!
- No. 1 in TV advertising and national magazine advertising.
- Best product features! First Alert offers super-bright KRYPTON Bulb, direct plug-in, unique retractable power plug, swivel head on Model RL101. Only First Alert offers all these features.
- Contact your First Alert representative to help plan-o-gram your rechargeable lights for maximum sales and profits. Go with the winner. First Alert — the No. 1 brand in rechargeable lights!

*Source: An Independent Nationwide Store Audit Survey 2nd half 1985

3 KRYPTON RECHARGEABLES FOR GIVING!

3 KRYPTON RECHARGEABLES FOR SELLING!



See us at the Hardware Show—Booth 137

HARDWARE

Outlook for Hardware Dept. Sales Brightens for Second Half

By ARNOLD REINHARD
Vice President, Sales and Marketing, Schreiber Co.

Full liners' hardware sales should improve in the latter half of the year after a rocky second quarter that saw growth dip into the single digits.

Second half growth could bounce back to the 10% to 12% range that the department enjoyed in 1985 and during this year's first quarter.

Residual consumer demand is one reason for the brighter outlook.

Consumers put off second quarter hardware purchases as Mother Nature stymied do-it-yourself projects with unusual weather in many parts of the country.

Some regions had too much rain in the second quarter, while droughts plagued other parts of the country. Both extremes discouraged outdoor work and consequently shrank hardware sales.

Discounters, however, are not planning to wait contentedly for a break to come in the weather. Instead, they will promote more heavily than usual during the third and fourth quarters in response to the weak second quarter sales figures.

Promotional merchandise in the second half will include power tools, hand tools and batteries.

As usual, discount stores will promote paint heavily in the third quarter, when cooler weather makes outdoor projects more attractive.

Rebates will continue to play a part in the promotions. Rebates sell paint but many in the industry remain doubtful about whether the offers move hardware.

"Your choice" promotions, with grab bags of products, will continue to spawn multiple tool purchases but hitting a promotional price point is becoming more difficult in hand tools.

The reason is that Taiwanese manufacturers have raised wholesale hand tool prices, sometimes by as much as 25%.

The makers in Taiwan have been very busy and the markups are a matter of supply and demand.

However, domestic and branded hand tools continued to dominate the business. Stanley maintains a strong presence in hand tools, with eight of the ten leading offerings at Schreiber Co. during the second quarter.

In the Product Movement Audit, the Stanley 12-ft. Power Rule generated more dollar sales than any other hand tool on our list with total movement of $7,212.80.

In power tools, Oriental manufacturers have not invaded the full line discount market.

Makita, an Asian maker, has been giving Black & Decker some competition in upper-end power tools at home centers, but appeared unlikely to enter the discount market any time soon. Makita price points are just too high.

Black & Decker occupied the top 31 spots in power tool dollar sales in our business.

The B & D 7308 7 ¼-in. saw moved into first place in dollar sales from second a year ago.

The second quarter winner in power tools last year, the 9330 Dustbuster, has dropped to ninth this time around, reflecting intense price competition in that category.

Batteries Stay Charged

Batteries remain a charged category, with retailers reporting that they sell twice as quickly when placed in the front end as back in the departments.

Eveready and Duracell continue to jockey for the number one spot in sales.

Eveready took top honors for the second quarter this year, while last year it was Duracell in first place for the quarter.

In both cases, the winner was a four-pack of AA alkaline batteries.

The average retail of the category winner moved only slightly, from $2.99 last year for Duracell to $3.00 this time for the Eveready pack.

Batteries provided more turns than most hardware categories, and the same is true for a number of light DIY electrical products, including switches, receptacles, multi-outlets, dimmers and extension cords.

As in previous years, caulks and sealants look good for the third quarter, the time when customers traditionally tackle winterizing chores.

Oil-Based Caulks

The market for oil-based caulks has remained strong because such products have been around for a while and are familiar to many consumers.

In fact, oil-based caulks have continued to sell even though silicone and latex caulks are available at lower price points. Latex used to cost twice as much as oil-based.

The third quarter is usually strong in security hardware as well, with discounters selling plenty of locks for back-to-school.

Looking beyond this year, discount merchants need to remember the importance of convenience in their departments.

As home centers take an increasing share of the do-it-yourself business, discounters have shifted their assortments toward such consumables as batteries, bulbs, caulks, sealants, glues, paint and paint sundries.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
ELECTRICAL				
1	Epak Moc-6C Multi-Outlet	1,073	16.82	18,047.86
2	Card 03101 100' Org 16/2	750	14.50	10,875.00
3	Actn 95 60W 3-Pk IF Bulbs	6,756	1.09	7,364.04
4	Elec Moc 4C Multi-Outlet	384	15.02	5,767.68
5	Actn 97 100W 3-Pk IF Bulbs	4,797	1.09	5,228.73
6	Carl 4170 8½" CL Lamp	839	6.00	5,034.00
7	Wood 268 50' 16-3 Orng Rd	570	8.38	4,776.60
8	Wood 151 6' 18-2 Clamp Lt	971	4.86	4,719.06
9	Actn 96 75W 3-Pk IF Bulbs	4,240	1.09	4,621.60
10	Carl 03151 50' Orange 16/2	582	7.64	4,461.76
PAINT APPLICATIONS				
1	Woos B5090 9" RL CVR Latx	10,536	1.38	14,539.68
2	Padc 1050 9" Spatter Shld	2,532	4.26	10,786.32
3	Woos B5092 9" RL CVR Enml	6,120	1.68	10,281.60
4	Ezpt M103-A0-90 3 pc brush	6,480	1.55	10,044.00
5	Woos B3221 3" Better Brush	2,508	3.29	8,251.32
6	Woos B6921 9" Promo Kit	3,011	2.74	7,226.40
7	Padc 1027 Dlx Pad Paint	960	7.28	6,988.80
8	Ezpt One-9RS-90 Smooth	2,927	2.25	6,585.75
9	Woos B5094 3 pc Paint Kit	1,278	4.94	6,313.32
10	Padc 1082 8" Speed Brush	1,943	3.10	6,203.30
PAINTING TOOLS				
1	Hyde 13050 Razr Scr & Blades	4,500	1.26	5,670.00
2	Hyde 04850 Wall Scr 6" F	1,598	2.77	4,426.46
3	Hyde 04100 Putty Knife 1.5 F	2,955	1.46	4,314.30
4	Hyde 45810 Super Guide	1,210	3.47	4,198.70
5	Hyde 04150 Putty Knife 1.5 S	2,681	1.46	3,914.26
6	Hyde 13110 Replacement Blades	3,120	1.23	3,837.60
7	Hyde 04700 Wall Scr 4.5 F	1,600	2.26	3,616.00
8	Hyde 04400 Putty Knife 3" S	1,755	1.77	3,106.35
9	Hyde 45385 Hand Sand Kit	965	3.09	2,981.85
10	Hyde 13100 Razor Blades	1,009	2.40	2,018.00
PLUMBING				
1	Meld 1422 Super Plunger	1,943	3.26	6,334.18
2	Meld 3525 Shower Massage	330	17.21	5,679.30
3	Meld 1501 Basket Strainer	3,414	1.55	5,291.70
4	Meld 1600 Toilet Tank Kit	755	6.50	4,907.50
5	Meld 14206 Plunger 49021E	3,298	1.45	4,782.10
6	Meld 1603 Ballcock Brass	419	10.95	4,588.05
7	Meld 361 Guardsman W/Adj	551	7.48	4,121.48
8	Meld 1660 Survo-Flush Kit	684	5.97	4,083.48
9	Meld 18016 6' Fem x Fem	1,075	3.58	3,848.50
10	Meld 1601 Ballcock Plastic	800	4.48	3,584.00
ABRASIVES				
1	3M Co. 9002 Sandpaper Med	10,899	1.71	18,637.29
2	3M Co. 9003 Sandpaper Coarse	10,346	1.71	17,691.66
3	3M Co. 9005 Sandpaper Asst	9,458	1.71	16,173.18
4	3M Co. 8651 Dust Masks 5-pk	4,874	2.19	10,674.06
5	3M Co. 9038 Garnet Coarse	6,480	1.58	10,238.40
6	3M Co. 9001 Sandpaper Fine	5,510	1.71	9,422.10
7	3M Co. 9036 Garnet Fine	5,180	1.58	8,184.40
8	Intl St Wool 8 Pad	7,196	1.13	8,131.48
9	3M Co. 9000 Sandpaper XFine	4,750	1.71	8,122.50
10	3M Co. 9037 Garnet Med	5,122	1.53	7,836.66
SEALANTS				
1	Bord E701 Wood Glue 8 oz	6,326	1.81	11,450.06
2	Bord E702 Wood Glue 16 oz	2,687	3.09	8,302.83
3	Boyl 8596 Pl Wood 5 oz	3,984	1.54	6,135.36
4	Kraz G12CD Counter Disp	5,519	1.02	5,629.38
5	Bord E832 Wood Filler ½	3,432	1.61	5,525.52
6	Bord E650 Stixall 1 oz	2,544	2.02	5,138.88
7	Duro Supl Super Glue	4,269	1.02	4,354.38
8	Henk 43763 Wallsizing 40 oz	1,737	2.18	3,786.66
9	Bord E831 Wood Filler ¼	3,306	1.12	3,702.72
10	Bord E379 Elmer's Glue 8 oz	2,705	1.36	3,678.80

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
LOCKS				
1	Harlock T-700 US3 Entry Module	1,933	11.66	22,538.78
2	Harlock UR 700-M-DL US3 Entry	419	15.22	6,377.18
3	Master 1500D Comb Padlock	1,750	3.40	5,950.00
4	Harlock T-700-M-DL US5 Entry	473	12.04	5.694.92
5	Harlock T-200 US3 Bedroom Pb	602	7.06	4,250.12
6	Ideal SK85 Pneumatic Close	797	4.77	3,801.69
7	Harlock T-100 US3 Passage Pb	596	6.26	3,730.96
8	Master 1D Padlock 1¾"	549	6.05	3,321.45
9	Ideal SK600 Knob Lock	485	6.20	3,007.00
10	Master 22D Padlock 1½"	1,487	2.00	2,974.00
PAINT				
1	Luct 3057 White Gal	23,886	7.03	167,918.58
2	Luct 3081 White Gal	13,597	10.54	143,312.38
3	Luct 3090 Ceiling White	16,346	7.03	114,912.38
4	Luct 2360 White Gal	7,207	12.03	86,700.21
5	Luct 50 White Gal	4,196	14.69	61,639.24
6	Luct 2386 Ceiling White Gal	4,594	12.03	55,265.82
7	Luct 1699 White Gal	2,644	16.24	40,294.56
8	Luct 2329 Antique White Gal	2,303	12.03	27,705.09
9	Luct 1800 White Gal	1,591	15.90	25,296.90
10	Luct 1629 Antique White Gal	1,468	16.24	23,840.32
HAND TOOLS				
1	Stanley 33-212 12' Power Rule	980	7.36	7,212.80
2	Arrow T-50 Staple Gun Tack	411	16.97	6,974.67
3	Stanley 33-425 25' Tape Rule	476	13.57	6,459.32
4	Stanley 64-856 Screw Set 6 pc	702	7.59	5,328.18
5	Stanley 34-500 L. Tape 100'	417	12.00	5,004.00
6	Stanley 33-116 16' Power Rule	429	11.50	4,933.50
7	Stanley 10-099 Retract Knife	1,362	3.47	4,726.14
8	Stanley 11-921 Heavy Duty Blade	3,670	1.28	4,697.60
9	Stanley 33-320 20' Power Rule	337	12.39	4,175.43
10	Arrow T-55 Staple Gun Tack	297	13.70	4,068.90
BATTERIES				
1	Ever E91BP-4 AA Alk Batt	110,207	3.00	330,621.00
2	Ever E93BP-2 C Alk Batt	112,704	2.23	251,329.92
3	Ever E95BP-2 D Alk Batt	87,730	2.23	195,637.90
4	Dura MN1500B4 AA Size 4-Pk	55,476	3.07	170,311.32
5	Ever 522BP 9V Alk Batt	69,213	2.23	154,344.99
6	Dura MN1400B2 C Size 2-Pk	57,687	2.42	139,602.54
7	Ever E91BP-2 AA Alk Batt	69,154	1.68	116,178.72
8	Dura MN1604B 9V 1-Pk	46,196	2.42	111,728.98
9	Dura MN1300B2 D Size 2-Pk	45,213	2.42	109,415.46
10	Dura MN1500B2 AA Size 2-Pk	44,592	1.74	77,590.08
BLACK & DECKER ACCESSORIES				
1	B&D 71-013 13 Pc Bit St	897	10.73	9,624.81
2	B&D U1670 6 Pc St	695	9.86	6,852.70
3	B&D 73-300 3" 1 Blade	749	8.24	6,171.76
4	B&D 71-007 7 Pc Drill St	917	6.39	5,859.63
5	B&D 93-008 2-Pk D-B Bag	1,480	2.83	4,188.40
6	B&D 71-005.5 Pc Drill St	870	4.77	4,149.50
7	B&D 70-404 ⅛" Drill Bit	2,418	1.46	3,530.28
8	B&D 71-010 10 Pc Bit	365	8.18	2,985.70
9	B&D 73-007 Com Bld 7 ¼	855	3.00	2,565.00
10	B&D 71-382 Mag Bit W/Hld	348	7.11	2,474.28
POWER TOOLS				
1	B&D 7308 7¼" Saw	1,091	40.48	44,163.68
2	B&D 7391 7¼" Circ Saw	494	55.46	27,397.24
3	B&D 9329 Minidustbuster	1,148	19.78	22,707.44
4	B&D 9360 Spotliter	909	24.98	22,706.82
5	B&D 7448 Sander	813	26.39	21,455.07
6	B&D 9359 Spotliter Jr	1,163	17.81	20,713.03
7	B&D 9020 Cordless Drill	445	40.64	18,084.80
8	B&D 7043 M47 ¼" Drill	819	21.55	17,649.46
9	B&D 9330 Dustbuster	576	30.24	17,418.24
10	B&D 7224 ½" Drill	270	61.50	16,605.00

Source: Schreiber Co., distributor, Lititz, Pa., for April through June 1986. covering 825 stores, including 725 discount stores, in the Northeast, Southeast, mid-Atlantic and North Central regions. Average prices reflect typical price points for most discount chains.

Study Details Homeowner Discount Store Shopping Patterns

EMMAUS, Pa. — She's a 43-year-old high school graduate with a job in administrative support and a house in the suburbs. Her family's annual income is more than $33,000 and they haven't moved in more than a decade.

Sound typical? It should. The person described above fits the profile for discount store shoppers who own a single-family house.

That key group was studied recently by Mediamark Research Inc., and the results have been released by *Practical Homeowner* magazine.

The study confirms some of the common wisdom in the discount retail industry and also points to some new directions.

Having lived in a 23-year-old, $66,000 home for more than 10 years, the typical discount shopper/homeowner needs to make a few repairs.

True to form for discount department store shoppers, the typical family in the survey leans toward light do-it-yourself projects.

In the 12 months preceding the study, 28.3% bought interior paint and 19.8% purchased exterior paint.

Some, 11.2%, risked trickier jobs and bought kitchen or bathroom plumbing fixtures.

Woodworking is Popular

Woodworking was listed as a hobby by 8.5% of those surveyed, a figure 19.7% higher than the average for all United States homeowners.

Furniture refinishing is an enthusiasm shared by 4.7% of the people surveyed. That might not sound like many, at first, but the figure is 33.5% higher than the average for all American homeowners.

When it comes to power tools for DIY projects, however, what's needed is probably already on the shelf of the family garage.

According to the survey, 49.1% already have electric drills, 44.5% have automotive tools, 31.1% have portable circular saws and 29.0% have electric sanders.

To some, the figures suggest the market is nearly saturated. Replacement business is thin, too, because the tools are used infrequently and can last a long time.

Out in the yard, though, the chances for continued sales look good.

Researchers found that 34.4% of those queried perform outdoor gardening.

The lawns are large, too. The percentage of respondents reporting lots of ¼-acre to a full acre was 36.1%. Another 18.3% have more than an acre of land.

Those surveyed are continuing to buy fertilizer, seed, shrubs and insecticide.

Most cut the grass with powered walk-behind mowers, no great surprise. A large number, 21.9%, have a riding mower or garden tractor.

Powered trimmers are popular, with 32.0% market penetration, and 27.8% own chain saws. Snow blowers, now in 10.4% of the surveyed homes, still trail garden tillers, which are in 12.9%.

Equipment Ownership by Homeowners Who Shop in Discount Stores

Item	Percentage Who Own	Percentage Difference* From U.S. Population
Power Walk-Behind Lawn Mower	49.5	+13.9
Electric Drill	49.1	+14.8
Automotive Tools	44.5	+15.9
Trimmer/Edger	32.0	+17.3
Portable Circular Saw	31.1	+17.5
Electric Sander	29.0	+13.1
Chain Saw	27.8	+14.8
Portable Jig Saw	27.1	+17.3
Riding Lawn Mower	14.8	+16.0
Electric Router	13.3	+12.9
Snow Blower	10.4	+16.3

**Survey results show discount shoppers own more equipment than the general population.*

Source: Practical Homeowner *magazine*

Purchases by Homeowners Who Shop in Discount Stores

Item	Percentage Who Bought In the Last 12 Months	Percentage Difference* From U.S. Population
Lawn Fertilizer	30.6	+14.5
Garden Fertilizer	28.1	+11.7
Lawn Seed	17.9	+16.7
Weed Killer	16.7	+13.1
Microwave Oven	10.9	+11.5
Ceiling Fan	10.5	+18.3
Kerosene Heater	4.4	+23.4
Humidifier	2.6	+19.4
Electric Heater	2.3	+12.2
Dehumidifier	1.6	+15.5

**Survey results show discount shoppers made more purchases in every category than the general population.*

Source: Practical Homeowner *magazine*

CONVENTION CASSETTES

that let you hear what you may have missed.

Cassettes of the convention seminars are now available for purchase from AVW Audio Visual, Inc.

Here's how the convention seminar cassettes can be valuable long after the National Mass Retailing Institute convention is over:

- Provides an excellent 'refresher course' for the future.
- Provides an invaluable educational and training tool.
- Provides access to important information for those unable to attend.

Get your AVW seminar cassettes by using the handy order form below.

NMRI

National Mass Retailing Institute
May 17-21, 1986, 1986
Dallas, Texas

SUNDAY, MAY 18, 1986

_____ MRI-SB Sports Banquet — George Plimpton $9.00

MONDAY, MAY 19, 1986

_____ MRI-CS1 Concurrent Session #1: "Hardlines" — Gilbert, Johnson, Deck $9.00
_____ MRI-CS2 Concurrent Session #2: "Customer Service/Front End Management" $9.00
_____ MRI-CS3 Concurrent Session #3: "Insurance and Accident Costs" $9.00
_____ MRI-GS2 General Session #2: "A Conscious Approach to Excellence" — Mescon $9.00
_____ MRI-GS3 General Session #3: "Direct Product Profit: A Research Study" $9.00

TUESDAY, MAY 20, 1986

_____ MRI-CS4 Concurrent Session #4: "Softlines" — Goddu, Head, O'Donnell, Segal $9.00
_____ MRI-CS5 Concurrent Session #5: "NMRI/Discount Store News Report on European Tour" $9.00
_____ MRI-CS6 Concurrent Session #6: "Human Resources and People Productivity" — Dr. Senn $9.00
_____ MRI-GS4 General Session #4: "Quality is Free" — Philip B. Crosby $9.00
_____ MRI-GS5 General Session #6: "The Founders Circle — Three Leaders Speak Out on Retailing" $9.00

NMRI
c/o AVW Audio Visual, Inc.
2254 Valdina Street, Suite 100
Dallas, Texas 75207
214/638-0024

By Mail Order:
(After Convention) Add $3.50 per order for handling charges.
Allow 2 weeks for delivery.

Payment Method:
Cash_____VISA_____
Mastercharge_____American Express_____
Check (Payable to AVW) _____ P.O.# _____

_____ _____
Card Number Expiration Date

_____
Signature Required on all Mail orders

Amount of Tapes:
Binder(s): _____ (6 Cassettes Binder @ $4.00 ea.)
_____ (12 Cassettes Binder @ $5.00 ea.)
Sales Tax (6.125%) Texas Residents Only: _____
Total: _____

NAME: _____
COMPANY: _____
ADDRESS: _____
_____
(CITY) (STATE) (ZIP CODE)

Discounters are stacking cases of motor oil on the selling floor for rebate-minded customers. At Bradlees in Rockville, Md., higher-margin oil filters are placed strategically near the oil. (DSN photo)

Bulk Pack Stackouts Lube Motor Oil Profits

Nationwide DSN Report

While margins remain paper-thin in motor oil, discounters are finding some profit relief by replacing single quart cans with cases.

The strategy is succeeding. Many discount department stores contacted by *DSN* reported modest sales gains despite a relatively flat market for motor oil in other retail segments.

In fact, full line discount department stores have continued to dominate motor oil sales with a 36.3% market share, followed by auto parts stores, which had a second place share of 19.7%, according to research provided by Pennzoil.

And selling by the 12-qt. case has proven one key to moving more motor oil out of the discount department stores, said Vince Loneman auto buyer for the Cincinnati, Ohio-based Swallen's.

A variation on that strategy by some discounters has been to sell oil by the quart at everyday prices and promote by the case.

That strategy has been working for Mars Stores, a 20-store, full line discount chain based in North Dighton, Mass.

Richard Weiner, Mars automotives buyer, said higher volume is not the only advantage of selling by the 12-qt. case.

"You do save some ticketing labor, too," he said.

"It's easier on the people in our departments," agreed the automotives buyer for a major Northeast-based chain.

The buyer added that selling by the case made price comparisons more difficult because consumers tended to think in terms of quart prices.

Crossing quantity barriers allowed the chain to increase its price points by a penny or two per quart when it sold oil by the case. Even a modestly higher markup has helped with oil, an almost universal loss leader, the buyer said.

Biggest Aid

The biggest aid to marketing by the case has come from the oil manufacturers, who have been supporting the trend to full case sales with frequent rebates.

Valvoline recently offered a $5 per case rebate that ultimately lowered the everyday $11.88 per case price at Ann & Hope down to $4.20 on ad.

Other retailers also responded to the Valvoline offer, including Venture, Zayre, Harts, Gold Circle and Target.

This month, Valvoline bid for national attention with a $3 rebate and $2 bonus for a total of $5 off on a case.

Other chains, like Ohio-based Swallen's, have been promoting more frequently because of the availability of case rebates. The chain has been advertising oil every other week, according to a spokesman.

But other chains were promoting motor oil in nearly every circular before the case rebates became important.

To be effective, buyers agreed, case rebates must be offered on brands that consumers want. Buyers said their customers show strong brand loyalty and are often willing to pay a little more for premium national brands.

"We have a private label program," said one buyer, "and we really don't know where to go with it. The private label is not much cheaper than the national brands."

Brand awareness has caused many buyers to keep

(Continued on page 76)

a new look and a new series

Model 9100 Electric

Meco® Corporation presents the 9000 series. It's a brand-new collection of unique, contemporary designs in seven electric and charcoal grills, including tabletops and portables. Loaded with outstanding features, the 9000 Series gives your customers distinctive styling and real outdoor taste. And that's an exciting, innovative addition to the full line of Meco grills, water smokers and accessories.

MECO® CORPORATION

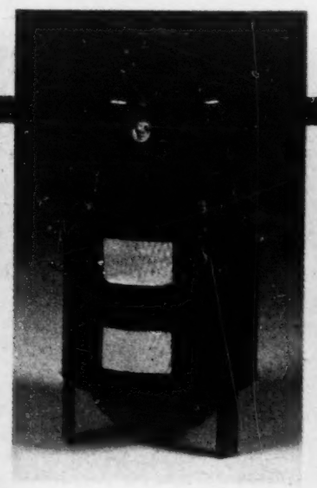
P.O. BOX 1000 (1500 INDUSTRIAL ROAD)
GREENEVILLE, TN 37744-1000
1-800-251-7558 (IN TN CALL 1-615-639-1171)

Also Manufacturers of Indoor Casual Furniture

Model 9621 Charcoal

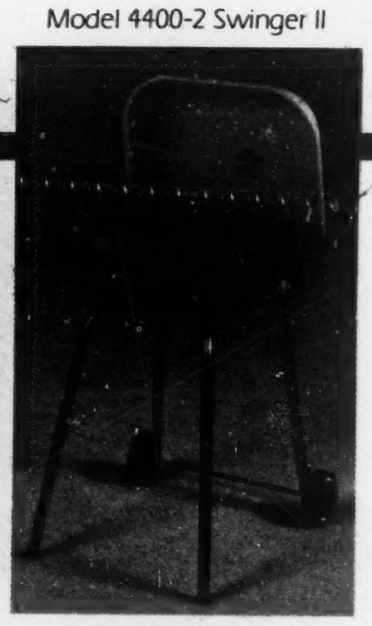
Model 1805-2 Swinger II

Model 5022-3 Water Smoker



Model 4414-9 Swinger II

Model 4400-2 Swinger II



Come see the 9000 series at the August Hardware Show. Meco® booth #2200 and 2300.

AUTOMOTIVES: PRODUCT MOVEMENT AUDIT

Light Truck Sales Gather Momentum; Basics Maintain Speed

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AUTOMOTIVES			
1	Turt Super Hrd Shell Paste 14 oz	34,671	4.99	173,008.29
2	Fila Motorcraft Oil Filter	52,822	2.99	157,937.78
3	Raindance Paste (Appl Pk) 14 oz	20,009	6.99	139,862.91
4	16 oz Armor All Protector	21,189	6.19	131,159.91
5	Freon 14 oz	98,052	1.29	126,487.08
6	8 oz Armor All Protector	36,917	2.99	110,381.83
7	Raindance Liquid (Apl Pk) 16 oz	15,156	6.99	105,940.44
8	Turbo-Jet Brush Kit	6,093	16.99	103,520.07
9	Snowhite Lit 'N' Easy Gal	9,700	9.99	96,903.00
10	Auto Bulbs 2 on a Card	108,284	0.89	96,372.76
11	Gumout Jet Spray 13 oz	44,387	1.99	88,330.13
12	2 Ton Mini Hydrauic Floor Jck	1,855	44.99	83,456.45
13	Rear Window Brake Light W/Modu	9,587	7.99	78,978.3
14	Sealed Beam, Large Square	9,839	7.99	78,613.61
15	Westl Bleche-Wite-Liquid 20 oz	39,558	1.89	74,764.62
16	Halogen Seal Beam Lg Sq	4,672	15.99	74,705.28
17	15" Wire Wheel Cover Ea	3,914	18.99	74,326.86
18	Quaker State Deluxe	60,362	1.23	74,245.26
19	AC Spark Plugs	7,462	9.69	72,306.78
20	Quaker State Sup Blnd	60,216	1.15	69,308.62
	AUTOMOTIVES			
21	E43Z-12A297 A DY425 Module	999	68.82A	68,751.18
22	Castrol GTX 20W50 Qt Motor Oil	48,127	1.51	72,479.26
23	Window Film Kit, Smoke 20"X10'	7,325	8.99	65,851.75
24	Pennzoil Multi-Vis	51,576	1.27	65,604.67
25	J-Wax Kit Pre-Soft PST Wx 12 oz	15,928	3.99	63,552.72
26	AC Oil Filters	17,520	3.49	61,144.80
27	Quartz Halg Fog Light Kit AMB	1,957	29.99	58,690.43
28	Gunk Engine-Brite Aero 20 oz	32,684	1.79	58,504.36
29	Chamois 2½ Sq Ft	9,506	5.99	56,940.94
30	Motorcraft Oil Filter	14,025	3.99	55,959.75
31	Warco Dot Brake Fluid Qt	14,309	3.89	55,662.01
32	Chamois 4½ Sq Ft	5,468	9.99	54,625.32
33	Pennzoil Multi-VIS	46,896	1.16	54,305.57
34	Gumout Carb Clean 12 oz	31,524	1.69	53,275.56
35	Sealed Beam, Low Square	10,588	4.99	52,834.12
36	Turt Zip Wax Liq Car Wash 18 oz	26,078	1.99	51,895.22
37	2 Ton Hydraulic Floor Jack	1,713	29.95	51,304.35
38	Air Compressor W/Lite 225 PSI	2,006	24.99	50,129.94
39	Super Hard Shell Liquid 12 oz	17,649	2.79	49,240.71
40	Quartz Hal Driv Light Kit Cler	1,627	29.99	48,793.73

(Continued on page 70)

check it out. . .

. . .High Performance, Low Cost Scanning For Your Stores

Symbol Technologies, Inc., a leader in bar code reading technology for 12 solid years, has the scanning solution you're looking for! Check it out . . .

• Cost Efficient Scanning

. . . Now you can cut costs by controlling your inventories, improving your merchandising decisions, and increasing your checkout productivity. With this modular plug-in device there is no need for costly in-counter installations!

• Increased Productivity

Symbol Technologies' new LS 7000 II hand held laser scanner is a revolutionary development in the use of scanners for demanding store operations. It aggressively reads your most challenging package types --from curved surfaces to flexible snack food bags. Your clerks will love its lightweight, comfortable fit, and the little training required for them to become scanning experts!

• Direct POS Compatibility

Our SYMBOLLINK™ interface controllers deliver full plug-compatibility with all the most popular POS systems, including IBM, DTS, NCR, SASi, Omron, Sweda, TEC, and more.

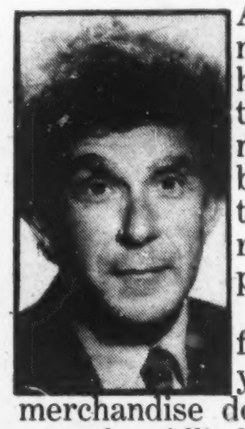
***Check it out* and call Symbol Technologies at (516) 563-2400 today! Or return the coupon for more information. . .**

I am interested in learning how the LS7000II will improve my store operations. *(check one or both boxes below.)*
Please send me more information on the LS7000II ☐
Please have a salesperson call me ☐
Name _____
Title _____
Company _____
Address _____
City _____ State _____
Phone ( ) _____ Zip _____
Fill out coupon and mail to: Symbol Technologies, Inc., Dept. RA1, 1101 Lakeland Ave., Bohemia, NY 11716

symbol®

Symbol Technologies, Inc., 1101 Lakeland Avenue, Bohemia, New York 11716 © 1986 Symbol Technologies, Inc.

By HERB RECHTER
President, Allied Auto Parts



Auto aftermarket basics have held their own as momentum built for light truck accessories and imports.

During the first half of this year, imported merchandise doubled in volume for Allied compared to the first half of 1985.

Imports now account for about 10% of all our goods and the reason is simple: price.

Wholesale prices were 25% to 30% lower for merchandise we imported allowing for more promotional opportunities than products made domestically.

Imports have become important in a number of product lines, including mirrors, bulbs, tachs and other gauges, driving lights, air compressors, mats, wheel covers, jacks, jack stands and engine stands.

Imported air compressors have also steadily increased in sales.

The air compressor with light, a deluxe model with a $24.99 average retail, has moved into the 38th spot on the PMA, with second quarter sales of $50,129.94.

Small Truck Imports

Imports have also buoyed discounter sales in small truck accessories.

With sales of small trucks remaining strong and the aftermarket still growing, retailers have expanded their efforts in truck accessories.

These market entries stepped up competition, which led to dips of 5% to 7% for both retail and wholesale prices.

In this Product Movement Audit for the second quarter, truck parts failed to make a big splash near the top of the list because truck accessories are segmented into multiple entries.

Pass-through windows for Ford trucks were counted separately from nearly identical windows for Chevrolet trucks, keeping the numbers deceptively small.

Similarly, truck Deflecta-Shields were tracked separately by color and size, although the item made a strong showing on the PMA.

The large, smoke-colored Deflecta-Shield is 75th in total sales, while the small version is 110th. Taken together, they would rank 24th, with second-quarter sales of $65,743.56.

Other truck accessories that were broken down into discreet items in the PMA included truck mirrors and quartz off-road lights.

While the public taste for the exotic continued to advance in custom truck accessories, the PMA showed a steady move back to the basics in waxes and polishes.

The manufacturers have overdone it in recent years by

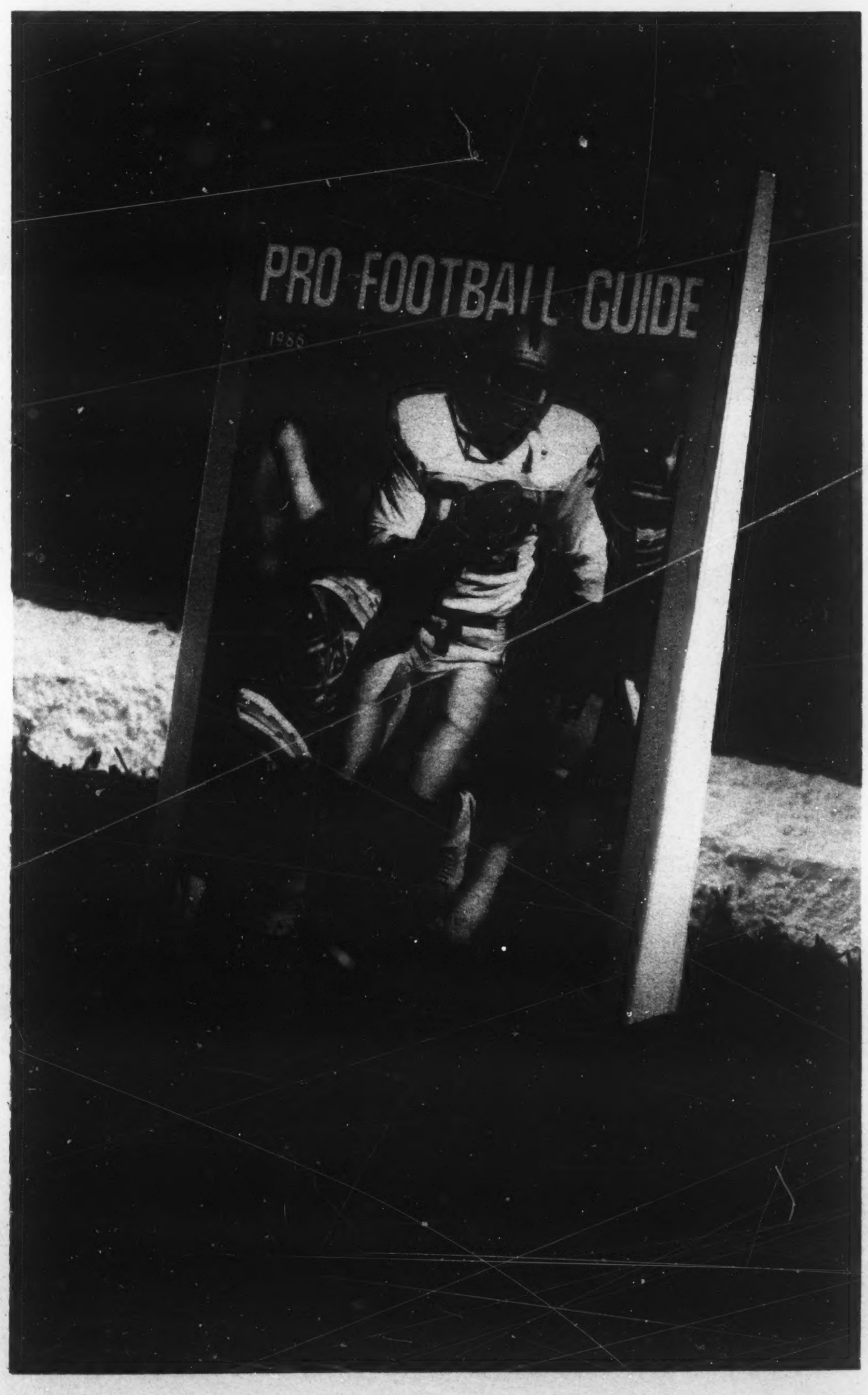
(Continued on page 70)

AUTOMOTIVES: PRODUCT MOVEMENT AUDIT

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AUTOMOTIVES			
41	WD-40 Aerosol 9 oz	24,462	1.99	48,679.38
42	194 Auto Bulbs 2 On Card	36,425	1.29	46,988.25
43	Gallon Gas Can Pull-Up Spout	15,556	2.99	46,512.44
44	Air Cond. Recharge Kit W/Freon	6,583	6.89	45,356.87
45	AC Oil Filters	12,959	3.49	45,226.91
46	Pres. Heavy Duty Brake Fld. 12 oz	22,133	1.99	44,044.67
47	Oil Treatment 15 oz	25,774	1.69	43,558.06
48	Sun Tachometer Super Tach II	870	49.99	4,349.13
49	4 oz Armor All Protector	28,485	1.49	42,442.65
50	Holland Chamois 4½ Sq Ft	4,230	9.99	42,257.70
51	32 oz Armor All Protector	4,619	8.99	41,524.81
52	Sealed Beam, Large Round	13,865	2.99	41,456.35
53	Raindance Car Wash Concen 20 oz	13,848	2.99	41,405.52
54	Air Compressor W/Gauge	2,053	19.99	41,039.47
55	Champ Plg	4,209	9.69	40,785.21
56	Antenna Sprng W/Booster 45"	4,515	8.99	40,589.85
57	"Rally" Cream Wax (Apr Pk) 10 oz	10,034	3.99	40,035.66
58	Snowite Lite-N-EZ Qt Kit	7,994	4.99	39,890.06
59	Warco Dot Brake Fluid 12 oz	26,729	1.49	39,826.21
60	Halogen Seal Beam, Lo Sq	4,387	8.99	39,439.13
61	2 Gallon Gas Can, Flex Spout	7,873	4.99	39,286.27
62	Blue Poly Paste Sealant 16 oz	3,912	9.99	39,080.88
63	Espre Wire Whel/Hub Cln 20	9,896	3.89	38,495.44
64	Boat, 3-Man 94x55	1,166	32.99	38,466.34
65	Pennzoil Z-7 30W	36,647	1.09	40,091.82
66	LB Jack Stand, Each	7,691	4.99	38,378.09
67	One Piece Auto Ramp, Pair	2,131	17.99	38,336.69
68	Rislone Oil Alloy 32 oz	13,739	2.79	38,331.81
69	Window Film Kit, Smoke 20"X5'	7,866	4.79	37,678.14
70	Simoniz II Premium Paste 14 oz	6,728	5.99	37,605.22

(Continued on page 73)

KICK OFF & RETURNS



KICK OFF THE FALL MOTOR OIL SEASON WITH CONOCO AND GET BIGGER RETURNS.

This fall, Conoco is offering your customers a rebate option that can't be beat. With a 12-quart purchase of Conoco motor oil, they can choose either a 1986 Pro Football Guide, or a $3.60 mail-in rebate. It's the perfect way to kick off fall motor oil sales.

For you, the returns will be great. Football fans are prime motor oil purchasers, and will jump at the chance to get the Pro Football Guide (a $9.95 value) for only a $2.00 handling charge. And that means greater returns for you with every 12 cans of Conoco motor oil sold.

The fall promotion line-up includes Terry Bradshaw, Conoco spokesman, who'll be featured in an exciting Conoco advertising campaign. Conoco also will support Jobbers with colorful point-of-sale materials and a co-op advertising program. The new fall motor oil rebate campaign will take your Conoco motor oil sales "all the way".

For the biggest returns ever on motor oil sales, kick off the fall selling season with Conoco.

Terry Bradshaw

CONOCO

Hottest Brand Going®

Imports Drive Price Wedge Into Auto

(Continued from page 68)

introducing more new waxes and polishes than consumers needed or wanted.

Consumers became confused and some of the claims for the more expensive new products were misleading. "Lifetime" finishes needed renewing, as it turned out.

A look at some PMA entries has indicated the return to basic polishes and waxes has gained momentum.

The 14-oz. container of Turtle Super Hard Shell paste, the quarter's biggest seller at $173,008.29, was a good example.

Raindance paste, another old standard, was listed third in sales, with $139,862.91, a further indication of the strength of basics.

Armor-All Protector's fourth and sixth place showings also supported the argument that consumers and retailers want well-known, time-tested products in the category.

Also worth noting in the waxes and polishes business was the rapid rise of the 10-oz. container of Turtle Clear Guard.

That product nearly made the PMA list after coming out of nowhere to post quarterly sales of $24,251.40.

Traditionally strong portions of the business did not disappoint in the most recent PMA.

The Flia Motorcraft oil filter duplicated its second place standing in 1985's mid-year PMA. Second quarter sales this year were $157,937.78.

The two-ton mini hydraulic

(Continued on page 73)

Appliance Sales Set Record in May

CHICAGO — The major appliance industry shipped nearly four million units in May, equaling the second-highest month ever.

The 3.9 million figure for May tied the second place month of March 1985, according to the Association of Home Appliance Manufacturers.

The record was 4.2 million in May 1985.

For May 1986, shipments were up 5.5% for dishwashers, 1.0% for refrigerators and 0.6% for clothes dryers.

Shipments of home comfort appliances were down 30.6% for the month because of inventory carryover resulting from last year's unseasonably cool weather.

For most other categories, shipments were down slightly.

In year-to-date comparisons, all products recorded shipment increases ranging from 1.4% to 10.0%.

The total of shipments for this year, 17.9 million, equals the total for the same period last year, a record year.

Industry forecasts call for a near-record shipment this year of 41.4 million units.

Truck Parts Pick Up Dept. Sales Volume

(Continued from page 70)

floor jack, a popular promotional item, more or less held position, dropping from 11th a year ago to 12th this time, with 1986 second quarter sales of $83,456.45.

The more modern rectangular headlights have shown that they are capable of taking over the replacement business from the old round models.

The best-selling headlight in this PMA was a large, square sealed beam in 14th place with sales of $78,613.61. The highest ranked round headlight was 52nd with sales of $41,456.35.

A year ago, a square light placed eigth and a round was ninth.

Another product on the wane is the third brake light. The PMA showed a retail of $11.99, but $6.99 was a more reasonable figure for the accessory these days.

Retailers' shelves are now filled with third brake lights and the consumer market is nearing saturation.

The PMA showed the rear window brake light with module at sales of $78,978.13, placing the accessory in 14th place, a position it will not again attain.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	AUTOMOTIVES			
71	Havoline Motor Oil	32,256	1.15	36,965.38
72	Multi-Service Grease 14 oz	26,389	1.39	36,680.71
73	Instant Spare Tire Inflator 12	23,062	1.59	36,668.58
74	Auto Bulbs 2 on Card	28,238	1.29	36,427.02
75	Deflecta-Shield Large Smoke	907	39.99	36,270.93
76	AC Oil Filters	10,380	3.49	36,226.20
77	Auto Bulbs 2 On A Card	22,669	1.59	36,043.71
78	Blue Poly Polymer Seal Liq 16 oz	3,600	9.99	35,964.00
79	Thrush Turbo Muffler	2,547	13.99	35,632.53
80	Mag And Aluminum Polish 5 oz	9,622	3.69	35,505.18
81	Multi Service Grease 3/Tube 3 oz	13,325	2.59	34,511.75
82	Octane 104 Boost 12 oz	6,293	5.39	33,919.27
83	C-16 Bars Leak 12 oz (80)	13,619	2.49	33,911.31
84	Midget Grease Gun Kit	4,238	7.99	33,861,62
85	CD-2 Oil Detergent Black Label	14,146	2.39	33,808.94
86	Raindance Spray Liq. Wax 18 oz	5,604	5.99	33,567.96
87	Cyclop Wind Mnt Brk Lite W/Mod	2,217	14.99	33,232.83
88	Champ Plg	6,626	4.99	33,063.74
89	Pres. Heavy Duty Brake Fld. 32 oz	6,535	4.99	32,609.65
90	⅓ Ton Engine Stand	645	49.95	32,217.75
91	1000 Mini Triple Gauge Kit	2,138	14.99	32,048.00
92	Westl Bleche-Wite-Liquid 32 oz	10,702	2.99	31,998.00
93	Raindance Car Wash Powder 16 oz	10,683	2.99	31,942.00
94	Sim. Supr Blu Pre-Soft Pste 9Z	9,022	3.49	31,486.00
95	Sandable Primer Gray	15,731	1.99	31,304.00
96	AC Oil Filters	8,916	3.49	31,116.00
97	Hi-intnsty fog Light Kit Amber	2,395	12.99	31,111.00
98	2 Ton Floor Jack, Handle Control	311	99.95	31,084.00
99	20" Wheel Wrench	6,208	4.99	30,977.00
100	13" Wire Wheel Cover Ea	1,630	18.99	30,953.00
101	Escort Carpet Twin Front Gray	1,480	20.89	30,917
102	Promo Carpet Mat 4 Pc Set Blue	2,058	14.99	30,849
103	Westley ½ Gallon Car Wash	7,705	3.99	30,742
104	#7 Rubbing Compound 12 oz	15,407	1.99	30,659
105	AC Spark Plugs	3,154	9.69	30,562
106	Top Post HD Term 1/CD*	25,289	1.19	30,093
107	14" Wire Wheel Cover Ea	3,006	9.99	30,029
108	Antenna Sprng Type 3 Sect 53"	3,731	7.99	29,810
109	Suntune Dil/Temp/Amp/Gauge	1,062	27.99	29,725
110	Deflecta-Shield Small Smoke	737	39.99	29,472

Source: Allied Accessories and Auto Parts, Madison Heights, Mich., for April through June 1986. Allied services over 2,500 retail outlets throughout the United States, 98% of which are discount auto departments. Average retail prices reflect typical price points for discount stores.

Crazy Eddie Net Skyrockets 113%

BROOKLYN, N.Y. — Crazy Eddie has reported net income for the first quarter of fiscal 1987, ended June 1, of $2.2 million, a 113% increase from $1.1 million during the first quarter of the previous fiscal year.

Net sales for the quarter rose 41% to $64.5 million, compared to $45.8 million for the first quarter of fiscal 1986.

Comparable store sales increased 10% during the quarter.

Store count rose to 24 during the quarter, with the startup of two stores in Manhattan. All Crazy Eddie stores are in the Greater New York Area, New Jersey and Connecticut.

The company plans to move into a 210,000-sq.-ft. headquarters and central warehouse this summer in Edison, N.J.

Meanwhile, the weighted average number of common shares of Crazy Eddie stock outstanding during the first quarter rose 12.3% to 15.5 million, compared to 13.8 million a year earlier. The rise in number reflected the company's 100% stock dividend of July 1985 and the issuance of 1.5 million additional shares of common stock during a public offering in March 1986.

At the end of the first quarter, Crazy Eddie issued 6% convertible subordinated debentures with a principal of $81 million. The debentures, convertible at $46.25 per share, could result in the issuance of an additional 1.75 million shares of common stock.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.
The offer is made only by the Prospectus.

3,250,000 Shares

PAY'n SAVE

Common Stock

Price $16 a Share

Copies of the Prospectus are obtainable in any State from such of the undersigned and such other dealers as may lawfully offer these securities in such State.

Drexel Burnham Lambert
INCORPORATED

Bear, Stearns & Co. Inc. — **Dillon, Read & Co. Inc.** — **Donaldson, Lufkin & Jenrette** SECURITIES CORPORATION

Goldman, Sachs & Co. — **E. F. Hutton & Company Inc.** — **Lazard Frères & Co.**

Merrill Lynch Capital Markets — **Montgomery Securities** — **Morgan Stanley & Co.** INCORPORATED

PaineWebber INCORPORATED — **Prudential-Bache** SECURITIES — **Robertson, Colman & Stephens**

L. F. Rothschild, Unterberg, Towbin, Inc. — **Shearson Lehman Brothers Inc.**

Smith Barney, Harris Upham & Co. INCORPORATED — **Wertheim & Co., Inc.**

July 11, 1986

Chains Use Bulk Pack Stackouts to Grease Motor Oil Profits

(Continued from page 62)
their eyes on the shelves.

"We carry two brands as basics," said Mars' Weiner. "One is a gas station brand—currently Citgo—the other is Quaker State. We cherrypick a few viscosities from Valvoline and Caterol. We buy almost any name brand to promote."

Loneman of Swallen's said he carried seven brands, the same as last year. His sku's have increased because he has added the relatively new 5W-30 for smaller cars and as well as special oil for turbocharged engines.

Buyers also agreed that the standard viscosities of 10W-30, 10W40 and 20W50 remained most popular. Most of the case rebate programs have been linked with those varieties.

Buyers are calculating that case rebates will bring in more traffic than the single quart promotions, an important reason for being in the oil business.

In Loneman's stores, impulse items are placed near the cut-case oil displays. His choice of adjacent merchandise is varied among the company's stores but included interior accessories, air fresheners, funnels and seasonal goods such as air conditioning accessories.

One buyer said his planogram for this fall placed cases and single quarts of oil across the front of the automotives department. When customers reach the oil display, the rest of the department "will be looking right at them."

According to Pennzoil, 64% of motor oil is sold at retail prices below $1.18, the figure the company considers the average price of motor oil. Just 36% is sold above that figure.

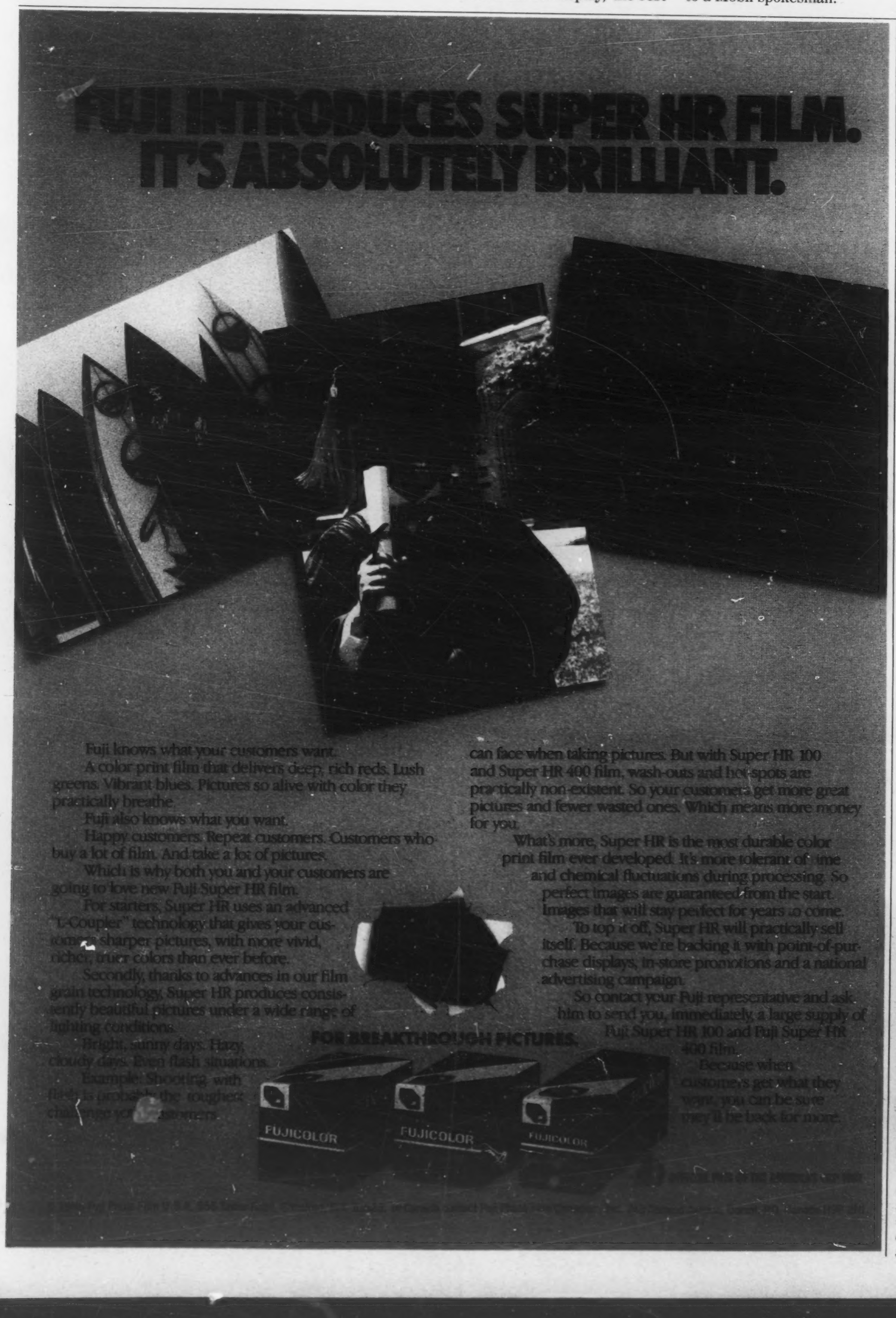
For many discounters, though, the $1.18 price must seem terribly high.

Wal-Mart is considered an aggressive oil merchandiser, with an everyday price of 74¢ for Mobil 10W40, according to a Mobil spokesman.

Motor Oil Market Share by Retail Segment

Discount Stores	36.3%
Auto Parts Stores	19.7
Service Stations	14.3
Automobile Dealers	5.9
Quick Lubes	4.0
Department Stores	4.0
Repair Garages	3.5
Grocery Stores	3.2
Drug Stores	2.2
Tire Stores	2.1
Convenience Stores	0.7
Other	4.1

Source: Pennzoil


FUJI INTRODUCES SUPER HR FILM.
IT'S ABSOLUTELY BRILLIANT.
Fuji knows what your customers want.
A color print film that delivers deep, rich reds. Lush greens. Vibrant blues. Pictures so alive with color they practically breathe.
Fuji also knows what you want.
Happy customers. Repeat customers. Customers who buy a lot of film. And take a lot of pictures.
Which is why both you and your customers are going to love new Fuji Super HR film.
For starters, Super HR uses an advanced "T-Coupler" technology that gives your customers sharper pictures, with more vivid, richer, truer colors than ever before.
Secondly, thanks to advances in our film grain technology, Super HR produces consistently beautiful pictures under a wide range of lighting conditions.
Bright, sunny days. Hazy, cloudy days. Even flash situations.
Example: Shooting with flash is probably the toughest challenge your customers can face when taking pictures. But with Super HR 100 and Super HR 400 film, wash-outs and hot-spots are practically non-existent. So your customers get more great pictures and fewer wasted ones. Which means more money for you.
What's more, Super HR is the most durable color print film ever developed. It's more tolerant of time and chemical fluctuations during processing. So perfect images are guaranteed from the start. Images that will stay perfect for years to come.
To top it off, Super HR will practically sell itself. Because we're backing it with point-of-purchase displays, in-store promotions and a national advertising campaign.
So contact your Fuji representative and ask him to send you, immediately, a large supply of Fuji Super HR 100 and Fuji Super HR 400 film.
Because when customers get what they want, you can be sure they'll be back for more.
FOR BREAKTHROUGH PICTURES.
FUJICOLOR
FUJICOLOR
FUJICOLOR

Car Stereo

(Continued from page 74)
"CD sales are still light," said Jay Menduke, car stereo buyer for the West Coast-based Federated Group. He predicted sales will not show much change until this fall, when he expected prices would start to come down.

Other buyers were less optimistic. Even though consumer electronics industry veterans are accustomed to seeing sales take off when technology costs decline, they said it could take CD prices longer to drop.

According to James Pedranti, Sparkomatic vice president, marketing, problems such as engine noise, dirt and the jolts of a moving vehicle are expensive to overcome.

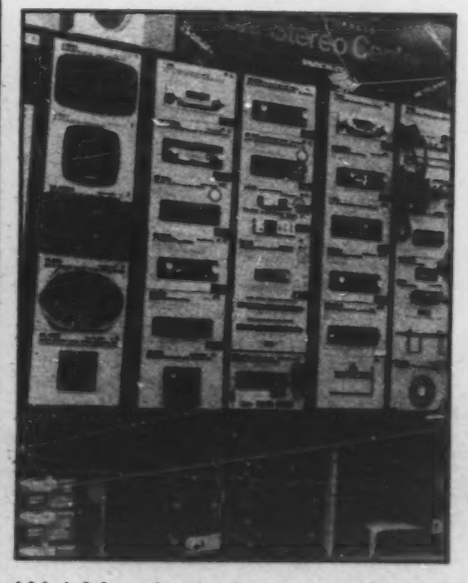
Installing a CD player is also much more difficult for the do-it-yourselfer than slipping in a cassette player.

"I'm really starting to question whether CD is going to be a gigantic force in car sound," Pedranti said.

On the other hand, tape players for digitally recorded sound may offer some other sales volume options.

Besides carrying lower prices, consumers have the additional advantage of being able to record music at home, an impossibility with CD.

Pedranti predicted digital would become a force in the market by next summer and would dominate the industry by the end of the decade.



Wal-Mart includes a number of brands in its car stereo demonstrator, including Jensen, Craig and Sparkomatic. The display also carries CB radios, speakers and accessories.

C 5150-3-P

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

VOL. 25, NO. 18 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 per copy | September 8, 1986

New Top Team Begins to Take Shape at K mart

OFFICE OF THE CHAIRMAN
Samuel G. Leftwich, vice chairman
Bernard M. Fauber, chairman, ceo
Norman G. Milley, president, K mart stores
Joseph E. Antonini, president, coo
Joseph R. Thomas, executive vp, chief administrative officer
Frederick M. Stevens, executive vp, specialty retailing
Larry M. Parkin, executive vp, U.S. K mart stores

By KAREN PAXTON

TROY, Mich. — K mart Corp.'s next generation of management has begun to crystalize, with Joseph E. Antonini, the new president and chief operating officer, the most likely successor to Bernard M. Fauber, chairman of the company.

The team of top executives has been lined up with only a few details of how the management transition will be orchestrated through its final stages yet to unfold. The changeover should be completed by the end of June, 1987, when Fauber, 64, retires.

Antonini's promotion is the first step of the actual passing of the reins to new management. As president, coo, he is responsible for all operating divisions of the corporation—a major shift in the chain of command at the corporation.

Larry M. Parkin, executive vp of U.S. K mart stores, Frederick M. Stevens, executive vp of specialty retailing and Joseph R. Thomas, executive vp and chief administrative officer, now report directly to Antonini.

Previously, those three executive vp's and Antonini, who had been executive vp and president of K mart Apparel had reported to the office of the chairman.

The office of the chairman is made up of Fauber; Norman G. Milley, president of K mart stores group, and Samuel G. Leftwich, vice chairman. Milley, 62, has announced that he will retire on February 1 of next year.

Although the three senior executives worked as the office of the chairman, the company didn't quite have a triumverate rule, Milley said explained, Fauber was "clearly the leader."

Milley handled the merchandising direction for K mart stores and Leftwitch was the company's operations maven.

For the last two years, Antonini, 45, Parkin, 52, Stevens, 50, and Thomas, 51, were being trained "to pick up the reins" by those in the office of the chairman, said Milley.

At this point, Milley said he and the others in the office of the chairman are "taking a hands-off approach," letting the new group of executives "get their feet wet." Fauber, Milley and Leftwich will continue to participate in the the executive meetings every Monday morning, however.

One of the key remaining questions behind Antonini's promotion is the final title changes this next generation of K mart executives will ultimately have.

Additionally, it is unclear what role Leftwich, 59, will play going forward.

(Continued on page 75)

Best, Service Refocus on Core Biz

The heart of the new housewares section in Service Merchandise's Paramus, N.J., unit is a kitchen, formed by wire grid fixtures and a working area for product demonstrations. (DSN photo)

Best Will Close 17 Losing Units

RICHMOND — In a struggle to regain profitability, Best Products has taken a sharp knife to its operations.

On the chopping block are 17 unprofitable showrooms—the first the chain has ever shuttered—its 33-store Ashby's woman apparel division, the regional accounting and data processing facility in Minnesota and its quarterly stock dividend.

The cataloger will also seek to reduce corporate payroll expenses primarily through employee attrition, eliminate vacant staff positions and set into place a general tightening of departmental operating budgets, according to a company statement.

Best will operate the showrooms and Ashby's through the Christmas sales period. The regional accounting operation will be consolidated into the headquarters facility here by early 1987.

Best Jewelry, the company's other retail business, will remain in operation and is expected to be profitable this

(Continued on page 88)

Service to Unload Mr. HOW Chain

NASHVILLE — Service Merchandise, acknowledging that it will shed its unprofitable Mr. HOW warehouse home center division, has sold 12 Mr. HOW units and four others under construction to K mart's Builders Square subsidiary.

The step is just one in Service's program to reconcentrate on its core catalog showroom business. The company also is launching its own credit card operation, opening about a dozen new showrooms and upgrading six others, while remixing its merchandise assortment to focus on four areas: jewelry, home goods, leisure and juvenile products.

Service's acknowledged departure from the warehouse home center field follows earlier statements by executives that the company would turn around the Mr. HOW operation. The Mr. HOW chain has lost money since its inception three years ago and has seen its store count rise to 27 units earlier this year before Service began jettisoning units.

(Continued on page 88)

Glass Wins Award

David Glass, president of Wal-Mart Stores, was named Discounter of the Year at the annual SPARC Awards banquet. Presenting the award were DSN *publisher Fred Filer and editor Iris S. Rosenberg. See story page 2.* (DSN photo)

Wickes Intends to Liquidate Howard Chain Store by Store

MONROE, La. — Wal-Mart, ALCO and Rose's are the chains most likely to acquire Howard Discount Stores in Louisiana, Mississippi, Texas and Tennessee, following a decision by parent Wickes to reject two leveraged buyout offers from Howard's management. Instead, Wickes favors liquidating piecemeal the 89-store chain.

No single chain is expected to achieve market dominance in Howard's former market as the result of store acquisitions. Rather, interested chains have the opportunity to accelerate expansion plans

(Continued on page 87)

Catalog Showroom News —page 12

Housewares: Product Movement Audit —pages 39-40

Lawn & Garden Supplement —pages 47-60

May/ADG Merger Scheduled for Vote

ST. LOUIS, Mo. — The May Department Stores Co. and Associated Dry Goods (ADG) have each scheduled an Oct. 3 special shareholders meeting expected to produce approval of the May/ADG merger announced July 18.

A May Co. spokesman said that by Aug. 22, both companies had complied with a Federal Trade Commission (FTC) request for additional information under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, but declined to elaborate on the nature of the information requested by the FTC.

The spokesman indicated that neither the contents of the companies' additional filing with the FTC nor the FTC's additional questions about the impending merger would delay the transaction. The two companies will merge to form a $10 billion company with two strong discount store chains, Venture and Caldor, and several successful department store groups.

July sales results from the May Co. show a 13.8% increase in sales at its Venture stores compared to last year, $74.1 million versus $65.1 million. Venture stores also racked up a 9.7% store-for-store increase during the period. Caldor results for the same period were unavailable.

SPARC Awards Banquet Honors Glass, Lazarus

CHICAGO — Two veteran discounters and nearly 60 consumer products makers were honored at the annual SPARC Awards banquet sponsored by *Discount Store News*.

A record of more than 500 industry executives were on hand for the gala event that was held here during the Hardware Show.

David Glass, president of Wal-Mart stores, was named Discounter of the Year and Charles Lazarus, founder and chairman of Toys "R" Us, was inducted into the Discount Hall of Fame. The SPARC (Supplier Performance Award by Retail Category) Awards were designed to honor the top consumer products vendors for merchandising excellence.

Winning manufacturers were nominated for the awards in a poll of buyers at the top 100 discount chains. A second balloting of divisional merchandise managers at those chains produce the first, second and third place winners.

A complete story on the SPARC winners will appear in the Sept. 22 issue of *Discount Store News*.

First Six Months Results*
(In Millions of Dollars)

Chain	Sales			Earnings		
	Current Fiscal Year	Previous Fiscal Year	% Change	Current Fiscal Year	Previous Fiscal Year	% Change
K mart	$11,190[A]	$10,440	7.2	210.0	133.3	58.0
Wal-Mart	5,114[B]	3,590	42.5	169.3	123.5	37.1
Federated Dept. Stores	4,558	4,384	4.0	81.9	75.1	9.1
Dayton Hudson	4,060	3,680	10.3	75.3	73.4	2.6
Woolworth	2,929[B]	2,680	9.3	48.0	33.0	45.5
Zayre Corp.	2,257	1,685	33.9	22.3	31.2	(28.6)
Associated Dry Goods	2,025	1,920[C]	5.5	8.4	23.9	(64.9)
Gemco	1,139[D]	1,129	0.9	(28.1)[E]	6.5	—
Service Merchandise	1,083[F,G]	893	21.4	(38.5)	(3.3)	—
Ames	821[H]	533	54.0	12.1	11.7	3.4
Rose's	538[B]	448	20.1	10.3	7.3	41.1
Jamesway	260	227	14.5	3.5	2.5	0.4
Dollar General	245[F]	264	(7.2)	0.7	6.1	(88.4)
Syms	101[F]	102	(1.0)	4.7	5.8	19.0
The Wholesale Club	54[F]	30	0.8	(1.0)	(0.8)	—

** For 26 weeks ended Aug. 2, 1986. [A]For 26 weeks ended July 30, 1986. [B]For 26 weeks ended July 31, 1986. [C]Includes sales of Power Dry Goods Co., a division sold at end of June 1985. [D]For 26 weeks ended Aug. 3, 1986. [E]Pretax earnings. [F]For 26 weeks ended June 30, 1986. [G]Results includes a pretax nonoperating loss of $5.8 million from the sale of five Chicago-area Mr. HOW Warehouse units. [H]Includes sales of acquired G. C. Murphy discount and variety stores.*

Source: Company reports

First Half Discounter Results Swing Widely Among Chains

Nationwide DSN Report

Discount store and specialty retailers came up with a mixed bag of sales and earnings results for the second quarter and first half of the current fiscal year.

The nation's top discount store chain, K mart, posted a 58% earnings gain for the 13 weeks ended July 30, 1986, on the strength of new merchandising and promotional programs. Woolworth announced earnings gains of 30% for the quarter, primarily attributable to the success of its specialty store formats, such as its Kids Mart off-price chain.

In contrast, Associated Dry Goods suffered a 93% drop in earnings for the quarter because of poor sales in its Caldor discount division, as well as its Southern California department store division, J. W. Robinson. Zayre Corp. posted a 44% drop in earnings despite earlier optimism.

Nevertheless, retailers are anticipating improved results in the second half of the fiscal year, based on early encouraging back-to-school sales.

K mart reported earnings for the second quarter of $118.4 million, up from $74.8 million a year ago. Sales rose

(Continued on page 75)

Takeover Bid Still Pending

Heck's Opens Last 3 Stores for '86

NITRO, W. Va. — In the midst of both a turnaround effort and a buyout offer, Heck's proceeded on plan to launch three stores in West Virginia, Kentucky and Virginia in late July.

Two 60,000-sq.-ft. stores were unveiled in Barboursville, W. Va., and Charlottesville, Va. The third, a 50,000-sq.-ft. unit, was opened in Corbin, Ky. The three cities were first-time sites.

At presstime, Isaacs said he had not heard the terms of a buyout offer filed by an investment group with the Securities and Exchange Commission July 30. The group, led by New York-based brokerage firm Edward A. Viner & Co. and Robert I. Toussie, an industrialist and real estate developer, already owns 754,000 shares, or 8.5%, of Heck's outstanding common stock.

The offer came amid reports of Heck's recent financial difficulties. As a result of serious accounting and computer errors, Heck's reported a $4.5 million loss for fiscal 1985 rather than the anticipated modest earnings gain.

As part of its turnaround efforts, the company is continuing to reduce excess inventory. The company also closed 12 unprofitable stores in Indiana and Kentucky last June.

Isaacs said he is looking ahead to a profitable third quarter, based on a strong start to back-to-school sales.

For the four weeks ended August 2, 1986, Heck's reported a sales increase of 7% to $40.3 million from $37.8 million for the same period a year ago. July store-for-store sales, however, were down 11% from the year before.

For the second quarter ended June 28, the chain posted a net earnings loss of $1.8 million, including a charge for the 12 store closings. Before that charge, operating income had been $1.6 million.

Large-Sizer Comes East

Undaunted by competitors who have joined the large-size women's apparel market, off-pricer Xxtra Special/Modern Woman took its West Coast operation East, opening last month in Nanuet, N.Y., and Cherry Hill, N.J. As shown in the Nanuet store, mostly brand name merchandise is displayed face out. See story page 15. (DSN photo)

Home Centers Land Discount Execs

Edwards

Zarkin

Nationwide DSN Report

Two West Coast-based home center chains have snared the expertise of East Coast discount veterans.

Jack Edwards resigned as president and chief operating officer at Rose's Stores Inc. to assume the post of president and chief executive officer for Wickes Company's two home center operations, Builder's Emporium and Home Centers West.

Together the two chains form a 134-store operation, with most locations in California.

Herbert J. Zarkin, formerly executive vice president, marketing and real estate of Zayre Corp.'s discount department store division,

(Continued on page 87)

INDEX

At the Source 78
At the Source: Lawn & Garden 58
Catalog Showroom News 12
Classified 83
Editorial 6
Executive Changes 11
Housewares: Product Movement Audit 39
Lawn & Garden Supplement 47-60
Legislative Update 70
Manufacturer News 74
Prevention Pays 43
Soft Lines 15
Stock Update 72

New Products, Updated Colors and Styles to Drive Record Sales

By LLOYD BARNBLATT
Vice President, Bacar Inc.

Discounters should keep an eye on the performance of recent product introductions from Rubbermaid, Foley and Webster that have shown signs of promise.

The new offerings, combined with updated colors and styles in housewares, bathware and closet shop lines stimulated product movement during the second quarter of this year.

Strong demand across the board also resulted in record volume for the year ended June 30, 1986, at Bacar Inc., and I project that there will be another 15% increase on top of last year's performance by the end of fiscal 1987.

Rubbermaid has just introduced a new storage line, and although we have just received our initial shipment, it went through the warehouse very quickly; we have had to double our initial quantities from the plant that we had on order.

It's too soon, however, to say anything more definite about the performance of the new storage line at this point.

New stovetop cookware from Foley has just been shipped, and I think it could be a winner. The new line, called Great Cooks, has oak handles and a non-stick interior.

We recently showed the Foley line at our dealer show and it had a very good reception; hopefully the next quarter will bring budding retail sales.

The most noteworthy item in cleaning aids was the recently introduced Webster All-Purpose Duster which was by far and away the outstanding promotable item in the category.

The manufacturer took an ordinary cleaning aid and turned it into an impulse item.

Multi-colored packaging helped sell this new duster which is the first on the market with a telescoping handle. The special handle lets the user reach cobwebs on the wall and behind furniture. It has been well received by all of our customers and had a tremendous sell-through when advertised.

Leading the growth among established housewares merchandise are Rubbermaid food storage containers. Corningware's Visions cookware and Nordic's small microwave turntable are also setting the pace.

In bath and closet categories Rubbermaid continued to be the shining star, as the popularity of slate blue bath accessory items continued to come on like gangbusters. Itex tubular hangers, Con-Tact sheets and promotable laundry basics like baskets and ironing board pads also performed well.

Servin' Saver Strong

New sizes and shapes in Rubbermaid's Servin' Saver food storage line further fueled already strong sales. The new products together with increased customer acceptance, convinced many discounters that it was time to increase the amount of space devoted to the line.

For example, a typical discounter, who had offered customers a 4-ft. selection of Servin' Saver, had in some cases added as much as 12 more feet to the food storage line since it was first introduced a few years ago.

I believe the line will continue to merit this space dedication. Our salespeople reported having a very difficult time keeping the shelves full of this merchandise.

Among bath items, Rubbermaid's slate blue accessories were almost as popular as the all time favorite almond colored bathware.

As is the case with all highly promoted merchandise lines like bathware, the order of the top 15 volume producers varies depending on which were promoted during the time frame being tracked.

Shower caddies were still a very strong item in bath goods, and we have expanded the Grayline type merchandise with Selfix goods.

Even though the two lines are similar, we have experienced good sales through both manufacturers. The Selfix Shower Spray still remained the No. 1 single dollar producing item in this category.

Laundry remained a typically high-promotion category, led by the "Baroness" ironing board with a $22.99 ticket generating over $27,000 during the second quarter. Spring pins, as well as teflon covers and pads comprised the bulk of the top 15 list.

(Continued on page 40)

CLEANING/CHEMICALS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Webster All Purpose Duster	5,159	8.99	46,379.41
2	Willert T/Bowl Fresh Deod Tree	22,032	0.69	15,202.08
3	Nat C/Broom (20%) Economy 4 Sew	2,100	4.99	10,479.00
4	Willert Cedar M-Balls 7 oz Bag	6,536	1.59	10,392.24
5	O-Cedar Power Strip Sponge Mop	846	10.79	9,128.34
6	White 16" Black Dust Pan	1,020	7.79	7,945.80
7	Cadie 4-yd Cotton Cheese Cloth	3,103	2.39	7,416.17
8	Quickie Autom Roller Mop	774	9.49	7,345.26
9	Hoover Bag Uprite Top Fill (3)	2,112	3.29	6,948.48
10	Willert Enoz Moth Ball 1-lb Box	2,953	2.29	6,762.37
11	Vac Bag Eureka Uprights (2)	6,552	1.00	6,552.00
12	Willert Cedar Tree Deod	4,393	1.49	6,545.57
13	Willert Enoz M-ball 10-oz Box	2,904	2.19	6,359.76
14	Quickie Automatic Sponge Mop	738	8.49	6,265.62
15	Willert Cedar Moth Kill Block	2,580	2.29	5,908.20

CLOSET/BATH

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Selfix Portable Wall/Hand Shower	939	11.99	11,258.61
2	I/P Plastic All Purpose Hng ST3, beige	2,280	3.99	9,097.20
3	Cnsir Promo Bath Scale, white	666	12.99	8,651.34
4	Selfix Shampoo spray	2,760	2.69	7,424.40
5	Itex Tubular Plastic Hngr, alm	31,104	0.19	5,909.76
6	Itex Tubular Plastic Hngr, white	30,318	0.19	5,760.42
7	Plaza Pk5 Child Tubulars Asstd	3,648	1.39	5,070.72
8	Itex Tubular Plastic Hngr, blue	26,496	0.19	5,034.24
9	Itex Tubular Plastic Hngr, brwn	26,064	0.19	4,952.16
10	Bev Wire Drip/Dry Hanger St 6	6,179	0.79	4,881.41
11	Bev Plastic Suit Hngr, Cl set 3	2,143	2.09	4,478.87
12	Excell S/Curt Linr w/mag clear	1,305	3.39	4,423.95
13	Strlite Jumbo Box, alm lid	582	6.89	4,009.98
14	Cnsir Scale Digital, sq white	104	35.99	3,742.96
15	Cor-Pk Tie/Belt Vinyl Rack	1,105	3.29	3,635.45

CORNINGWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Visions 6-pc Set 1, 1.5, 2.5 qt	509	58.99	30,025.91
2	Visions 7-pc Rangetop Set	303	84.49	25,600.47
3	Visions 2.5-qt Cvd Saucepan	643	26.49	17,033.07
4	Visions 10" Skillet W/Cover	639	22.99	14,690.61
5	Visions 1.5-qt Dbl Boilr W Cover	387	32.49	12,573.63
6	Visions 5-qt Cvd Saucepot	365	31.49	11,493.85
7	Visions 1.5-qt Cvd Saucepan	529	21.49	11,368.21
8	Visions 1-qt Saucepan	519	18.49	9,596.31
9	Visions 9" Skillet	562	15.49	8,705.38
10	Visions 1-qt Cvd Saucepan	593	14.49	8,592.57
11	Crng Chef master Set, pstl boq	144	48.99	7,054.56
12	Visions 6" Skillet	579	11.49	6,652.71
13	Crng 10" Skillet	294	20.99	6,171.06
14	Visions 3.5-qt Cvd Steamer	196	29.49	5,780.04
15	Crng 6-cup Teapot, pstl boq	254	22.49	5,712.46

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	G/L King-Size Shower Kaddy	5,496	5.99	32,921.04
2	R/K Refl "Mega" Bowl 8" Plug-in	6,948	3.39	23,553.72
3	R/K Refl "Mega" Bowl 6" Plug-in	8,112	2.89	23,443.68
4	Saw Hand Can Opener-Jr Asstd	7,290	3.19	23,255.10
5	Saw Hand Can Opener, almond	3,147	6.29	19,794.63
6	AM/FM "1-lb" Diet Scale Kit	2,669	6.79	18,122.51
7	G/L Jumbo Helper Shelf (Stand)	3,587	4.69	16,823.03
8	Sunbeam Timer Short Ring, alm	1,538	9.99	15,364.62
9	Gemco Glass Replc Decant 10-cup	2,525	5.49	13,862.25
10	Sunbeam Timer short Ring white	1,377	9.99	13,756.23
11	Saw Hand Can Opener, choc.	2,077	6.29	13,064.33
12	R/K Refl Pan 6" GE&H/P Hng Elmnt	7,140	1.59	11,352.60
13	R/K Refl Pan 8" GE&H/P Hng Elmnt	5,364	2.09	11,210.76
14	E-Z Foil 12-pk Elec Burner Bibs	3,672	2.69	9,877.68
15	Saw Hand can Opener, red	1,548	6.29	9,736.92

GLASSWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	G/H Salt-Pep Jar w/Hnd 4 oz	11,413	0.99	11,298.87
2	G/H Drink Jar w/Hnd 1 teal 16 oz	9,744	0.99	9,646.56
3	G/H Drink Jar w/Hnd Colr 28 oz	4,160	1.69	7,030.40
4	A/H Fountainwr Cryst Soda Glass	3,348	1.99	6,662.52
5	A/H Fountainwr Cryst Tulip sund	3,323	1.99	6,612.77
6	A/H Fountwr Cryst Banana Split	3,156	1.99	6,280.44
7	A/H Fojntwr Crystl Ftd Sherbt	3,155	1.99	6,278.45
8	G/H Mason Jar Reg qt (case)	626	7.59	4,751.34
9	I/G 4-pk Cooler Heritage blue	678	6.59	4,468.02
10	I/G 4p-pk Bever Heritage Blue	664	6.39	4,242.96
11	G/H Mason jar w/M quart (case)	503	8.39	4,220.17
12	Lby 4-pk Bever Chivalry Crystal	637	6.39	4,070.43
13	Lby Bulk Tall cooler Deco	2,655	1.49	3,955.95
14	A/H Jar 2-gal rnd/Glass Lid	219	17.99	3,939.81
15	Lby 4-pk Coolr Chivalry Crystal	565	6.89	3,892.85

LAUNDRY

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Symr "Baroness" Iron Board tan	1,203	22.99	27,656.97
2	Penley Dble Grip Sprig Pins	4,830	3.19	15,407.70
3	Welmaid Pd&Cvr Set Hd Silicone	1,272	9.99	12,707.28
4	Penley Hardwood Spring Pins	8,881	1.29	11,456.49
5	Symr "Majesty" Iron Board Mve	343	29.99	10,286.57
6	Symr "Duchess" Iron Brd 4-leg yellow	376	26.49	9,920.24
7	Welmaid Pd&Cbr Set HD Cotton	816	11.25	9,180.00
8	Magla Table Top Iron Table	907	9.99	9,060.93
9	Magla Wash Machine Bag	2,832	2.99	8,467.68
10	Magla Elastic Pad & Cover	1,086	7.69	8,351.34
11	Welmaid Pd & Cover Set Teflon	1,026	6.59	6,761.34
12	Symr "Rid-Jid" Iron/Brd Mesh grn	164	40.49	6,640.36
13	Welmaid Pd & Cvr Set Hvrst Cotton	648	9.98	6,467.04
14	Magla Teflon Cover & Pad	606	9.89	5,993.34
15	Welmaid Nat Cotton Cover	738	6.99	5,158.62

PLASTICS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Arrow Giant Serv Bowl w/Display	4,020	6.39	25,587.80
2	Laidlaw Fly Swat/Wirehnd W/Dsp	27,294	0.69	18,832.86
3	P/W 30-oz Giant Bumbler Asst	36,192	0.39	14,114.88
4	E/I Spray Bottle Plan-Pint	8,808	1.59	14,004.72
5	E/I Spray Bottle Plain-Quart	5,880	1.99	11,701.20
6	Superseal 1 qt Decanter Clear	7,531	1.49	11,221.19
7	Jrn 7-pc Rainbow Bev Set w/Disp	1,880	5.59	10,509.20
8	Superseal 2-qt Decanter Clear	4,584	2.29	10,497.36
9	Alladin Covd Rnd Contr 5.5 gal	1,477	6.29	9,290.33
10	Arrow Colander 4-qt Asst	4,061	1.89	7,675.29
11	Bes-Pak Freezer Wrap 15" x 50 ft	2,423	2.99	7,244.77
12	Dial Jumbo Odd/End Bskt 12 x 9 x 3	3,684	1.89	6,962.76
13	Superseal See-Thru Pitcher 2 qt	2,298	2.99	6,871.02
14	Ges Ashtray 5" Rnd Earthtones	4,811	1.29	6,206.19
15	Dial Cutlery Tray 5-comp Asst	2,745	2.19	6,011.55

RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Rect Laundry Baskt slt blue	5,259	6.89	36,234.51
2	R/Neck Rnd Can 32 gal choc	1,176	24.99	29,388.24
3	Rect Laundry Baskt alm	3,712	6.89	25,575.68
4	Dix Dish Drain Wire slt blue	3,012	7.89	23,764.68
5	Single Turntable alm	6,939	3.29	22,500.31
6	Drain Tray 15 x 20 alm	4,056	5.39	21,861.84
7	Rect Laundry Baskt choc	3,125	6.89	21,531.25
8	Twin Turntable alm	3,839	5.59	21,460.01
9	Drawer organizer 9 x 3 alm	17,040	1.19	20,277.60
10	Dix Dish Drain Wire alm	2,502	7.89	19,740.78
11	Drawer Organizer 15 x 6 alm	9,438	2.09	19,725.42
12	Drain Tray 15 x 20 slate blue	3,637	5.39	19,603.43
13	Bathmat 14 x 22 (Wrap) white	4,848	3.99	19,343.52
14	R/Neck Step-On 30 qt. slt blu	1,160	15.99	18,548.40
15	Sml Rect w/Basket slt blue	3,246	5.69	18,469.74

TABLETOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Mlt Cone Filter No 4 (6-cup) 100 ct	9,336	3.79	35,383.44
2	Mlt Cont Filter No 4 (6 cup) 40 ct	11,130	1.69	18,809.70
3	Mlt Cone Filter No 6 (10-cup) 100 ct	4,548	3.99	18,146.52
4	Mlt Cone Filtr No 6 (10-cup) 40 ct	7,458	1.79	13,349.82
5	Mlt Cone Filtr No 2 (1-cup) 100 ct	3,324	3.29	10,935.96
6	Mlt Coffeemaker System 10-cup	1,021	9.99	10,199.79
7	Incense Spin Floor Disp w/Mdse	21	468.00	9,828.00
8	Mlt Cone Filter No 2 (1-cup) 40 ct.	6,048	1.49	9,011.52
9	Dsgn Imgs 20-pc Set rose tris	134	46.99	6,296.66
10	Mlt Replace Glass Carage 10-cup	774	7.99	6,184.26
11	Mlt Coffeemaker System 6-cup	630	9.49	5,978.70
12	Dsgn Imgs 20-pc Set pch grind	126	46.99	5,920.74
13	Lvngwr 18-oz Bwl (4) White	326	15.49	5,049.74
14	Mlt Basket filter F/Drip 100 ct	4,176	1.19	4,969.44
15	Mlt Cone filter No 1 40 ct	3,720	1.29	4,798.80

VACUUMWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Aladdin qt Stanley Btl w/Hndl	878	48.99	34,013.22
2	Thermos Super Quart, 36 oz	1,361	11.49	15,637.89
3	Thermos Flip-N-Pour pt w/Hdl	1,082	12.99	14,055.18
4	Thermos Flip-N-Pour pt w/Hdl	1,386	9.99	13,846.14
5	Aladdin Hy-Lo w/Mouth Plst pt	1,220	10.99	13,407.80
6	Aladdin pt Stanley Bottle	294	42.99	12,639.06
7	Thermos Pint Perma Case	1,428	8.69	12,409.32
8	Aladdin qt Pop-Top Stn Plst Bt	1,028	11.79	12,120.12
9	Aladdin qt Rugged American Btl	330	35.99	11,876.70
10	Thermos Poly Work Kit w/25q	678	17.49	11,858.22
11	Aladdin Hy-Lo w/Mouth Plst	811	14.49	11,751.39
12	Thermos School Kit Asstmt (24)	49	239.76	11,748.24
13	Aladdin 24-oz Stanley Wide/mth	235	49.99	11,747.65
14	Aladdin 2 qt Stanley Btl w/Bail	168	64.99	10,918.32
15	Thermos S/Steel 1 Liter grey	261	39.99	10,437.39

HOUSEWARES: PRODUCT MOVEMENT AUDIT

Ekco Leads Cookware Category as Market Share Increases

(Continued from page 39)

In cookware, seasonal items like the General Housewares Canner rank high at this time of year, but as far as basic everyday selling merchandise is concerned, Ekco's Baker's Secret outperformed the rest in this product line, and the Ekco's market share appears to be getting even stronger.

Visions cookware dominated the Corningware line with a 6- and 7-piece set retailing for $58.99 and $84.49 leading the dollar volume.

Corning had backed the program with a lot of advertising dollars, and now the company has received its payoff in sales volume.

In fact, if it weren't for Visions, Corning would be in trouble since the regular Corning line and French White have slowed down in volume considerably.

Introduced just last year, the Nordic Microwave Turntable has already jumped to top spot in the microwave accessory mix.

Why has it been so successful? As far as I know it's the only turntable on the market that can fit into the smallest of the compact microwave ovens available. With a $43.99 retail, we shipped 520 units, or nearly $23,000 in volume during the second quarter of 1986.

Anchor Hocking's Freeze, Heat & Serve microwave accessories were still active and seem to have a strong position in the low end retail market. Corning is going to try to reassert itself in the category by developing strong promotions during the fourth quarter.

Golden Harvest Jars with handles led glassware sales, with 5 sku's ranking among the top 15 items. Also performing well was Anchor Hocking's Fountainware, which will soon drop off the chart with the close of the ice cream soda season.

Single pack glassware is starting to make inroads into the market, but it's too soon for them to hit the top 15 chart for this report.

In the closet shop, as usual, the Itex tubular hangers accounted for the largest unit sale in this category. They are a highly promotable item. We'll probably add "hot" colors along with the pastels this year since there seems to be a trend in this direction.

Con-Tact is still the top performer in the coverings category. The 8-yard roll has started generating sales as a lot of our accounts realize it can be sold in a larger roll on a non-service program.

The 8-yard roll can be sold to the customer as an item, while the 25-yard roll has to be cut to size when the customer purchases it.

As far as vacuumware is concerned, Thermos and Aladdin are sharing the marketplace. The back-to-school program this year was very active, although it wasn't reflected in this product movement audit.

The 1-qt. Aladdin Stanley thermos bottle with a handle was far and away the leading item on the top 15 list, accounting for over $43,000 in retail sales volume. The Thermos Super Quart followed with sales of $15,500 during the second quarter.

This is because we offered our accounts an incentive if they would place orders early. As a result, most of these orders were made before these rankings were compiled.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	G/H "Granite" Canner w/Rack, 21 qt	1,470	21.49	31,590.30
2	Ekco B/S 12-cup Muffin Pan	3,396	5.29	17,964.84
3	Ekco B/S Lrg Cookie Sht 17 x 11	3,091	4.89	15,114.99
4	Lodge C/Iron Skillet, 10"	1,477	8.99	13,278.23
5	Ekco B/S Oblong util Pan 13 x 9	2,712	4.39	11,905.68
6	Ekco B/S Med Cookie Sht 15 x 10	2,474	4.39	10,860.86
7	Foley Silv/stone 12" S/P Oak Hdl	508	18.49	9,392.92
8	Foley Percolator, 9-cup	973	7.99	7,774.27
9	Nordic 12-cup Formed Bundt Asst	769	9.99	7,682.31
10	Ekco B/S Roast/Bake pan 14 x 10	1,260	5.99	7,547.40
11	W/E pref Slv 10" Chef Fry Pan	937	7.99	7,486.63
12	Normdy Giant Co 12-qt Pot, alm	607	12.29	7,460.03
13	Ekco B/S 9" Round Cake Pan	2,472	2.99	7,391.28
14	Lodge C/iron Rd Flat Grdl 10.5"	645	10.99	7,088.55
15	Lodge C/iron Skillet 12"	453	15.59	7,062.27

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	MICROWAVE			
1	Nordic Micro-Go-Round Compact	520	43.99	22,874.80
2	Microette Corn Popper 3.5 qt	1,513	7.99	12,088.87
3	A/H Micro Popper/Steamer/Roastr	498	14.29	7,116.42
4	Nordic Micro-Go-Round Origini	93	55.99	5,207.07
5	A/H Micro Bacon Rack 12 x 10	643	7.79	5,008.97
6	A/H Micro Cooking Shelf	337	14.29	4,815.73
7	A/H FZ Heat & Serve (2) oval Cass 17 oz	1,333	3.19	4,252.27
8	Corning Little Sizzler Grill	207	18.99	3,930.93
9	A/H FZ/Ht & Serve (4) Ramekin 6 oz	1,176	3.19	3,751.44
10	A/H FZ/Heat & Serve (2) Platters 9 x 7	1,098	3.19	3,502.62
11	A/H FZ/Heat & Serve (1) oval Cass 28 oz	1,045	3.19	3,333.55
12	A/H FZ/Heat & Serve (1) rnd Cass 48 oz	1,033	3.19	3,295.27
13	Micrortte Plate Cover, clear	475	6.69	3,177.75
14	Pyrex Micro Cook & Serve Tray	600	5.29	3,174.00
15	Crng Micro Trio Set w/Covers	104	29.99	3,118.96

Source: Bacar Inc., distributors, San Jose, Calif. Volume and ranking reflect movement for the second quarter of 1986 at 658 stores, 480 of which are mass merchandisers. Average retail prices represent typical price points at mass merchandisers.

Wal-Mart Up 43% in 2nd Quarter; Discount Stores, Sam's Spark Gains

BENTONVILLE, Ark. — Steady growth in both its discount store and Sam's Wholesale Club chain has boosted second quarter sales at Wal-Mart 43%.

For the quarter ended July 31, 1986, total sales rose to $2.8 billion, from same quarter sales a year ago of $1.9 billion. Same store sales were up 13% for the quarter; Excluding Sam's, store-for-store growth would have been approximately 12%.

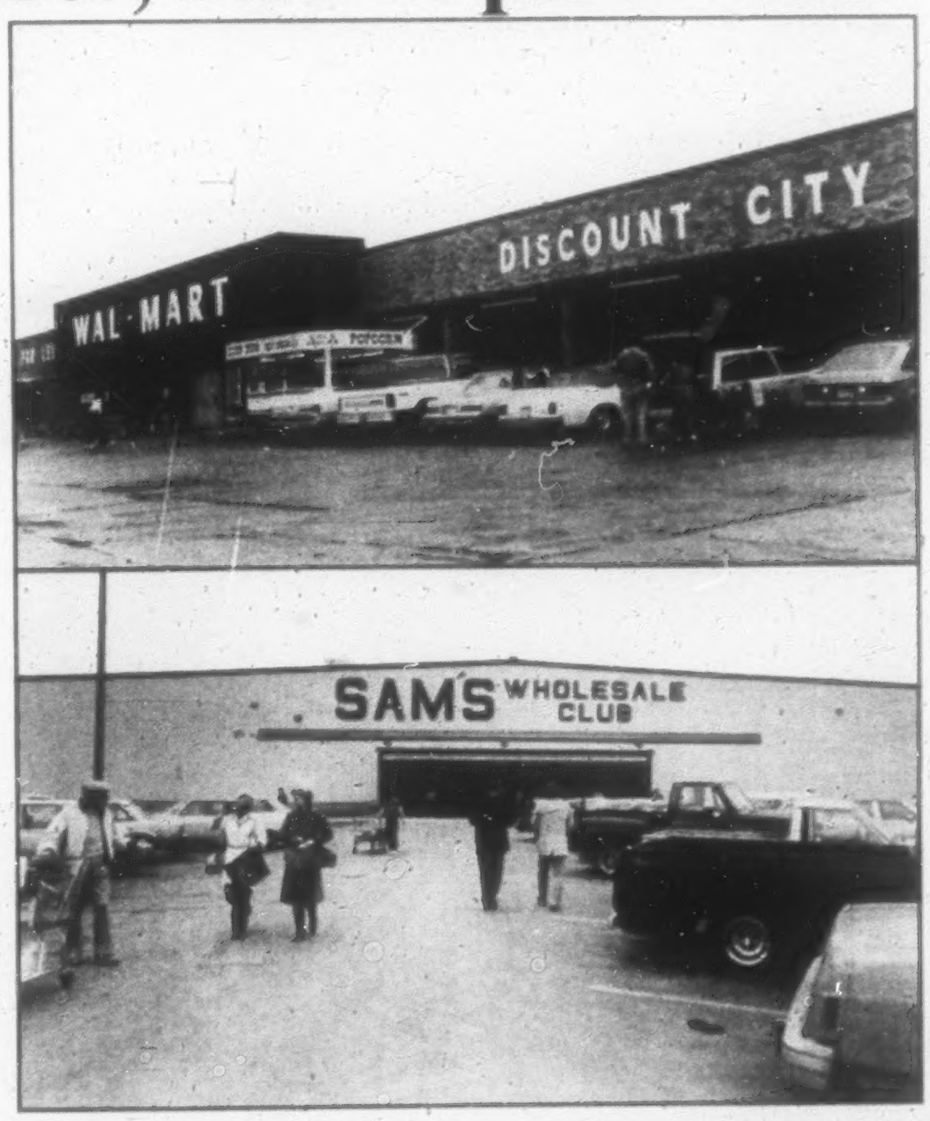
Over the past year, Sam's Wholesale Club has expanded to 37 units against 13 a year ago. The chain's operation on a lower gross profit and S & G A percentage has impacted on total company results.

During the quarter, the company's FIFO gross margin declined to 23.7% from 25.1%. Aside from Sam's affect on gross margins, Wal-Mart stores took lower initial markups over the 13 weeks. These were partially offset by smaller markdowns.

The company had lowered the gross margin whenever it achieved a lower S & G A percentage.

The LIFO gross margin for the quarter came to 23.4%, as compared to 24.7% a year ago. The LIFO charge during the period totaled $7.6 million, versus $7.7 million last year, bringing the LIFO charge to 0.3% of sales for both periods.

Vice president, finance Charles Self said the decline in gross margins wasn't a negative sign for the company. "We should be measuring return on investment as opposed to return on sales. Sam's can return a comparable return on investment to that of the discount stores," he said.



Wal-Mart's second quarter sales rose 43% to $2.8 billion on the strength of its discount stores and Sam's Wholesale Club. Sam's is expected to open about 8 stores by year end. (DSN photos)

As percentage of sales, S & G A costs fell to 17.1% from 17.9% for the previous fiscal year's second quarter. Again, this was a result of the membership warehouse chain's lower S & G A ratio.

The company anticipates the opening of at least six to eight Sam's units by year end. Leases have already been signed in East St. Louis, Mo.; Greenville, S.C.; Houston; Louisville, Ky.; Memphis and Nashville, Tenn.; Oklahoma City and Orlando, Fla.

The company also plans to open 18 to 20 additional Sam's units in 1987, although several of these may be opened before the year is out, said Self.

SCAN-TECH 86 Show To Study Bar Code Use

PITTSBURGH — The latest developments in bar code technology, along with case studies of its integrated use in a distribution center, will be among the topics discussed at SCAN-TECH 86, the fall trade show and seminar of the automatic identification industry.

Sponsored by the Automatic Identificiation Manufacturers (AIM), SCAN-TECH 86 will be held Oct. 15 to 17 at the Moscone Center in San Francisco. Ten different sessions will be presented during the three days, with each repeated once.

Development of standards for the implementation of bar coding will be discussed at a session sponsored by FACT, the Federation of Automated Coding Technologies. That group is made up of suppliers and users, such as retailers of automatic identification technologies.

The SCAN-TECH 86 seminar sessions include: recent developments in bar code products; bar code applications in distribution with presentations by executives from Walgreen and Frito-Lay, among others; improved inventory control, with presentations by representatives from U.S. Shoe and other firms, and improved productivity, detailed by officials from Haggar Apparel and others.

The keynote sessions will include a case study of the evolution and use of bar coded jeans in inventory management and in a distribution center. A Levi Strauss executive will present that session.

The human dimension in the application of automatic identification technologies will be discussed by a Hewlett-Packard executive.

Information and registration is available from the Automatic Identification Manufacturers, 1326 Freeport Road, Pittsburgh, Pa. 15238. Phone (412) 963-8588 or TWX 315186 AIM PGH.

All the seminar sessions except for the keynote presentation cost $145 each. The keynote presentation and lunch cost $195. The FACT session is $145. Session registration includes two free passes to SCAN-TECH 86's trade show.

Wal-Mart in $4.8M Stock Redemption

BENTONVILLE, Ark. — Wal-Mart has announced it is redeeming $4.8 million in outstanding preferred stock it issued August, 1981 for its acquisition of Kuhn's Big K stores.

The preferred stock has a $27.50 redemption price and is convertible into Wal-Mart common stock at 4.3859 per share. Wal-Mart stock was selling at $46½ on Aug. 21.

The preferred stock carries an 8% dividend guarantee. The right to convert will terminate on Sept. 19, said a Wal-Mart spokesman.